Consumer Behavior

An Analytical Study
of
The Saudi Family's Purchase Decisions

(Purchasing Computers)

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Dedication

To my dear parents,

I humbly dedicate this work.

They are my heart's delight.

They have supported me throughout my life.

They have instilled in me high aspirations and determination.

Their pleasure I do seek, and their prayers I do need.

Khaled

Table of Contents

Introduction

At present, project management is facing a lot of contextual changes, such as rapid changes in the modern consumer's desires, inflation in world economies, growing consumer awareness and consumer protection movements. The changes require proper solutions, which care for consumer needs and the public interest while achieving the business aim of profit-making.

Seeking easy solutions for marketing problems aggravates matters due to the complexity of consumer behavior and the intricacy of related factors. In addition, management often suffers from lack of relevant information necessary for proper decision-making. Therefore, it is imperative to understand the intricacies of behavior motives, calculate the costs of alternative marketing strategies and gather the information needed for competent decision-making. These requirements are considered essential for modern management.

The present book deals with various aspects of consumer behavior, in addition to the study of consumer purchase decision and its major determinants. It is methodologically based on a practical application approach. A unique feature of this book is its adoption of a methodological framework integrating all marketing dimensions with consumer behavior, theoretically and practically.

The book contains nine chapters, discussing the basic principles of marketing, the marketing environment and consumer behavior. As the cornerstone of marketing activities, consumer behavior is discussed in terms of the following: behavior patterns and major determinants; purchase decision process and stages; purchase decision patterns; various roles in purchase decision-making; the psychological, social, economic and marketing factors related to the purchase decision; and the purchase decision interaction within the

family, with special reference to the Saudi family.

A major reason for writing this book is the author's desire to provide students with up-to-date vital material related to untraditional, varied and intensive research areas in the field of marketing. Another major reason is his desire, as a practitioner of marketing, to contribute to the advancement of the management and practice of the marketing process in our developing environment in order to attain the required effectiveness and competence.

In conclusion, the author prays that Allah, the Almighty, may make his effort, though humble, contribute to the fulfillment of felt needs and achieve its desired benefits.

It is only Allah that grants success.

Dr. Khaled Ibn Abdul-Rahman Ibn Ali Al-Jeraisy

Chapter 1

Marketing Activity Management

Chapter Topics

Marketing Activity Management

The economies of contemporary societies, the lifestyles of their members, and the achievement of their prosperity are directly and indirectly affected by marketing activities. In order to survive and grow, an organization has to sell its products. So, it must decide what it sells and to whom it sells it. Under current market conditions, the marketing role is no longer a limited one. In fact, marketing plays a strategic role, crucial to the future of an organization. All types of plans in a contemporary organization rely on the expected volume of sales. This requires conducting scientific marketing studies in order to determine all of the organization's future activities.

Movement of products to the consumer market and the reality of excess supply over demand urgently and continuously require accurate estimation of the quantity and quality of demand. The study of consumers' needs and the quality of products to be supplied is the starting point for all of the organization's activities.

Now, let's discuss what is meant by marketing.

1.1 The Marketing Concept

Even though great attention is being given to marketing as a major practical determinant of an organization's success, and a great number of managers are aware of the role of marketing in achieving its objectives, the marketing concept and dimensions are still unclear to many individuals, businesses, organizations and government agencies. They still think of marketing as only selling, promotion and other trade-related activities. These activities are not to be underestimated as part of marketing. However, marketing is an organized and comprehensive activity that includes various integrated tasks and functions much wider than mere selling and promotion. From a modern management perspective, the marketing concept goes beyond promoting and selling products, using all means possible to maximize sales and profits.

There is no agreement on the definition of marketing. Some writers limit it to the distribution of products. Others define it as a set of relationships. While some deal with it from an integration point of view, others deal with it from a flow angle. Thus, it is necessary to shed light on the different definitions of marketing in order to demonstrate its truly comprehensive nature.

The American Marketing Association defines marketing as "all activities performed to allow the flow of goods and services from the producer or the importer to the final consumer or industrial buyer."(1) This definition implies that marketing performs a basic task, namely making goods and services available at a particular time and a particular place, where the consumer is. The definition seems to limit marketing to distrbution and selling. Similarly, Glutenberg defines marketing as "the process of moving the product from the producer to the consumer."(2)

Stanton criticizes the American Marketing Association's definition

of marketing for being narrow. Seeking a broader definition, he puts forward this one: "Marketing is a total system of interacting business activities designed to plan, price, promote, and distribute want-satisfying products and services to present and potential customers."[3]

Erickson and Richard define marketing as "a set of integrated activities performed by an organization in order to facilitate exchange processes." For that purpose, the marketing department has to perform two essential functions: (a) encouraging demand for its products; and (b) servicing demand. The former function is to be achieved through the following: determination of market opportunity, research, product planning, advertising, personal selling and sales promotion, pricing, and branding. The latter function is to be achieved through actual exchange implementation. It involves storage and transportation, filling orders and exchange, technical service, warranty, distribution outlets, selecting market segments, and financing the marketing activity.[4]

Kotler, the pioneer of the new school of marketing, considers marketing as "a social and managerial process whereby individuals and groups satisfy their needs and wants through making and exchanging products and values... with others."[5] This definition considers marketing as a mix of these particular elements: a human activity element; a satisfaction element; and an exchange element.

The human activity element is concerned with individuals and their behavior. The marketer is to identify their needs and wants in order to satisfy them. The satisfaction element is to be accomplished through the products supplied by the firm to the market. Satisfaction is to be accomplished through exchange. The exchange element is to be implemented within a spacio-temporal dimension representing the market.[6].

In spite of the comprehensiveness of Kotler's definition, there are other practical considerations that require researchers to deal with

the marketing concept from other perspectives in order to reach a thorough understanding of the value and importance of marketing; a lot of organizations consider marketing the backbone of their activities, survival and growth.

Ferrel and Pride agree that these definitions and others may be acceptable to some academicians and practitioners, but they have some defects for one or more of the following reasons:

1. One definition limits marketing to business enterprises even though it is practiced by non-profit and service organizations.
2. The definitions seem to be too general to determine the marketing scope.
3. Marketing does not only deal with goods and services but also with ideas.
4. The definitions do not recognize that marketing decisions are activities that take place in a dynamic environment.

In light of these criticisms, Pride and Ferrell give the following definition: "Marketing consists of various activities of individuals and organizations that facilitate exchange in a dynamic environment by producing, distributing, promoting, and pricing goods, services, and ideas."(7)

Obviously, the definitions mentioned so far do not give an accurate or comprehensive picture of marketing, probably because marketing, as a science, is still undergoing fast and continuous development. Thus, attempting to define marketing, each researcher has dealt with a particular aspect of marketing.

The following definition attempts to give a more comprehensive picture: "Marketing is all the activities that are designed to make and facilitate any exchange process aiming at satisfying human needs and wants."(8) According to this definition, both the consumer and the society are considered the starting point in planning an organization's activities, which aim basically at

satisfying human needs and wants. In addition, the definition refers to the basic marketing elements (product, price, distribution, and promotion) as an integrated system. It also implies that marketing facilitates various exchange processes of ideas, goods and services among individuals on the one hand, and among organizations and individuals on the other.

One of the salient points in this definition that relates to this study is the significance of the exchange concept. Marketing does not exist when one decides to satisfy his needs and wants, but when exchange is involved.

By exchange we mean obtaining something wanted from a person or an organization in exchange for something else wanted. Exchange takes place through marketing processes, which is a transaction between two parties and comprises two things of value. A transaction may be monetary, when goods, services, and ideas are exchanged for money. It may take place in the form of barter, when products are exchanged for products. Exchange is the essence of marketing, and for it to take place, it must meet the following conditions:

1. At least two parties have to be involved in the exchange.
2. Each party must have something of value for the other party.
3. Each party must have the ability to communicate, deal and deliver.
4. Each party must have the freedom to accept or reject the offer of the other party.
5. Surrounding circumstances must be appropriate for completing the exchange.

In general, exchange implies utility, symbolism or both, hence the marketing terms "utilitarian exchange", "symbolic exchange" and "mixed exchange".

Utilitarian Exchange

This type of exchange is often associated with economic utility where the motive is to benefit from the expected use of the product or its tangible attributes. In general, the theory of utilitarian exchange is founded on the concept of the "economic man", which is, in turn, based on the following assumptions:

- Individuals are rational in their behavior.
- Individuals try to maximize their satisfaction through exchange.
- Individuals have complete information on the available alternatives.

Symbolic Exchange

This is the exchange of psychological and social values and other intangibles between two or more parties. According to Levy, who first introduced this behavioral aspect to the exchange process in marketing, a consumer often purchases goods and services not because of what they directly offer, but because of their social and psychological symbolism. So, when a lady purchases a fur, it does not only mean the great warmth the fur provides, but also the high social status it symbolizes for the lady as well as her feeling of pride and elegance.

Mixed Exchange

An exchange process in marketing may be both utilitarian and symbolic. Underlying this mixed exchange is the new concept of the "marketing man," who simultaneously seeks material and symbolic utilities from the exchange process. The "marketing man" concept is based on the following assumptions:

a. Some aspects of a person's behavior are rational, while others are emotional.

b. A person is motivated by material and non-material stimuli, and by internal and external forces.

c. A person participates in utilitarian and symbolic exchanges, which have psychological and social dimensions.

d. Although one is exposed to incomplete information, one benefits from it in the best way possible, and simply calculates the costs and social and economic advantages associated with exchange. Exchange does not take place in isolation, but it is subjugated to a large number of economic, social, legal, and ethical limitations, etc.[9]

In light of the mixed exchange concept and the previous discussion on marketing definitions, the researcher adopts a definition that is best suited to the present study: "Marketing is a set of integrated activities that take place within a specific managerial activity framework and guide the flow of goods, services, and ideas in order to achieve satisfaction through an exchange process and achieve the objectives of producers, distributors, or importers within the constraints of the surrounding environment."[10]

1.2 Historical Development of the Marketing Role

Recent decades have witnessed focus on marketing as a continuous activity, which starts before the production cycle and continues during and after it. The activity aims at the movement and flow of goods and services - with proper specifications, at a suitable price and at appropriate time and place - from the producer to the consumer.

The concept of marketing had undergone several developments till it reached its modern form, which considers an organization as a marketing unit in all its activities. No longer is marketing seen as the last stage in business activities. It is now viewed as a necessary activity whose principles and procedures have to be applied prior to, during and after production. Marketing, as such, goes beyond the flow of goods or services to the consumer, and continues during their use at the post-purchase phase.

Thus, marketing research is involved at all the stages of the product. It has become an essential tool for formulating policies and making decisions related to the production and supply of goods and services.

1.2.1 Evolution of the Marketing Role

Four distinct stages can be identified in the evolution of marketing role since 1910 as follows:

[A] The Production-Oriented Stage (Production Concept)

The production-oriented stage lasted from the middle of the eighteenth century to the beginning of the twentieth century. The focus was essentially on the production process, not on marketing. It was assumed that the consumer was the party seeking the

product. So, producers exerted little effort in introducing their products. Management was concerned with increasing production and its efficiency in response to increasing demand for goods and services. The increasing demand drove marketers to urge producers to maximize production or add new production units.(11) That production concept assumed that the consumer had to buy the firm's products. Therefore, management was to continue improving the efficiency of production systems and increasing distribution.(12) No wonder, producers exerted very little effort, which never went beyond training salespeople to sell their products.

The production concept is based on the following assumptions:

1. It is the consumer that is basically looking for a good product at a low price.
2. The consumer knows the prices of competitive products and compares them in terms of quality and price.
3. The consumer does not care about the differences among rival products, except in the case of price.
4. An organization aims at improving the efficiency of production and distribution while reducing costs to keep prices down, hence keep the customer.(13)

The following anecdote humorously illustrates the production concept of marketing. A manager of a folder factory complained to his sales manager that their product should achieve better sales, saying: "Our folders are the best in the market. They are so strong that if they are thrown from the fourth floor, they will remain intact." His sales manager agreed with him on the high quality and strength of the folders, but he said: "Our customers do not buy our folders in order to throw them from the fourth floor."(14)

Some service organizations, especially public ones, still adopt the same philosophy. They believe they offer quality services to the citizens, who should be not only satisfied, but also thankful for the services. This belief ignores the real wants of the consumer and

denies his being "the master of the market".

The world economic crisis of the late 1920s made consumers afraid of further crises. So, they had to reduce their consumption of various products. This led to less demand on the one hand, and accumulation of surplus supplies on the other. Producers had to store excess supplies, creating the problem of how to get rid of their surplus stocks.[15]

[B] The Sales-Oriented Stage (Sales Concept)

The sales-oriented stage lasted nearly from the beginning to the middle of the twentieth century. Facing the problems of excess inventories, product damage risks and obsolescence, made producers and distributors think of ways to get rid of the excess supply, so they resorted to marketing. [16] The emphasis was on selling and promotional efforts since the sales concept requires a great deal of salesmen's efforts in order to influence the consumer, motivate him to purchase, and repeat purchasing. "Thus, marketing focused on selling in order to maximize sales and, in turn, maximize profit."[17] This concept considers selling and advertising among the most important marketing activities, and, like the production-oriented concept, it gives priority to the firm's interest over the consumer's.

Among the most important assumptions upon which the sales concept is based are the following: [18]

1. Customers normally tend to hold comparisons when buying things they do not urgently need.
2. Through persuasion the consumer can buy more.
3. The organization must have a strong sales department in order to attract and keep customers.

According to the sales concept, the sales manager has to sell the firm's products through his sales workforce. Also, advertising is done by the advertising department, whose manager is independent

of the sales department. The production department plans and designs products according to purely technical principles. As a result, no due attention is given to the marketing process as a coordinated effort.[19]

A number of companies still adopt the sales concept. Their aim is to maximize their sales by all means possible. Although this aim seems to express a legitimate statement, its content is subject to criticism; maximizing sales is a major objective for all organizations, but only through a proper philosophy of marketing. Such philosophy should give priority to satisfying the consumer's needs and desires by means of a varied and integrated marketing mix. Only then, will sales and profits increase and grow in the long run. This is the essence of proper marketing.

[C] The Marketing-Oriented Stage (Marketing Concept)

The marketing-oriented stage (the marketing concept) continued from the early 1950's to the present time. Unlike the sales concept, which focuses on meeting the seller's needs, the marketing concept focuses on meeting the needs of both the seller and the buyer. Also, whereas the sales concept seeks to turn the product into a monetary value, the marketing concept seeks to achieve the organization's aims through satisfying the consumer's needs and wants. Thus, the marketing concept considers the consumer as the axis as well as the mover of the marketing process.

Underlying the marketing concept are the following principles:

1. The consumer's needs and wants represent the starting point.
2. The marketing activity is linked to the managerial process.
3. The marketing function is continuous, and it does not focus on short-term objectives alone, but targets long-term ones, too.

The modern concept of marketing has developed the following set of principles:

1. The company's assets have no value without customers.
2. The organization's main task is to attract consumers to its goods and services.
3. The major means to attract consumers is the promise to achieve the required satisfaction of their needs and wants.
4. The main duty of marketing is to define, explain and offer such promises, and to ensure the satisfaction of the consumer's needs.
5. The real satisfaction of consumers' needs and wants is affected in the first place by the performance of all administrations and departments of the organization.
6. Satisfying human needs through marketing cannot be achieved without having all administrations and departments base their activities on marketing principles.[20]
7. There have to be long-term plans for the organization's marketing efforts.

The consumer concept has given rise to the term "consumer research", which refers to the study of the consumer's motives, characteristics, habits and expectations in order to influence his behavior, hence increase sales opportunities. It has also given rise to the activity of surveying consumers' opinions. This activity is concerned with studying the market and the factors affecting it, and studying consumers and their motives in order to know their opinions about the products on sale in the marketplace. In other words, marketing research has become increasingly important and has developed into an independent science.

To sum up, the marketing concept focuses on the consumer's needs and wants, which are to be met through an integrated marketing activity.[21]

[D] The Societal Marketing Concept

The social marketing concept emerged in the early 1970's.

Proponents of this thriving concept consider marketing an effective and influential business activity that should play a role in raising individuals' living standards. They maintain that the marketing activity - through providing goods and services - contributes to the well-being of consumers. However, this affects a limited number of individuals who can afford to buy the goods and services. Apparently, many departed from the essence of the marketing concept when they devoted most of their efforts to satisfying a limited segment of consumers. Unfortunately, satisfying consumers is sometimes done at the expense of public interest. In order to overcome this deficiency, Kotler suggests adopting the societal marketing concept.

Definition of the Societal Marketing Concept

The societal marketing concept can be defined as the managerial orientation that considers the essential activity of the organization to be: (a) the determination of the needs and wants of target markets; (b) the preparation of the organization for the achievement of required satisfactions more effectively and efficiently than competitors, and in the best possible way that preserves or strengthens integration between the consumer and his society.

Thus, the societal marketing concept requires the makers of marketing decisions not only to achieve consumer satisfaction, but also to take into consideration the public interest in order to avoid any negative effects on society.[22] This adds to the marketing concept a new dimension, i.e. the emphasis on the long-term welfare of both the consumer and his society. It also requires that making marketing decisions include four basic aspects: the consumer's needs and wants, the consumer's interests, the organization's interests, and public interests."[23]

Illustrative practical examples of the societal marketing concept are consumer cooperative societies, central markets (that are centrally

planned), and food stores that are run by professional associations/ societies for the benefit of their members. These stores sell subsidized products or buy direct from the producer and sell to the public at competitive prices. They sometimes recycle glass, aluminum and plastic containers.

The association of the marketing concept with the society and its interests is quite obvious in competitions prevailing nowadays, which make producers and distributors adopt the marketing and societal concepts. Today's consumer is no longer unaware of the products available in the marketplace. In addition, consumers' tastes and puchasing motives, more than ever, require serious study on the part of producers and distributors. How could they market a product without consulting the consumer about it?!

However, there are those who hold firmly to the view that despite individual cases of monopoly that necessitate the application of the societal marketing concept, the marketing concept - especially through marketing research - remains dominant. They also believe that businesses cannot work actively except in the areas where the consumer wants them to. In other words, it is the consumer that determines the policies, programs, and directions of businesses.

With the dominance of the marketing concept, the marketing philosophy has emphasized and reinforced the notion of consumer sovereignty, as based on Adam Smith's economic views. Smith considers the final consumer to be the focus of the process of production and distribution of goods and services. In other words, business activity basically centers around the consumer.[24]

Thus, the marketing role is no longer limited to persuading the consumer to buy products; rather, it seeks to identify his needs and to satisfy them. The information provided by traditional marketing research - such as market size and consumers' demographics - is no longer sufficient in helping management in making good production and marketing decisions. More comprehensive research is now needed to provide management with consumer information

from various angles: social, psychological, economic and personal. This helps understand consumer behavior - how and why he acts in a certain way - in order to be able to predict his purchasing decisions.[25]

It is a fact that the consumer is "the master of the market". It is also a fact that the study of his needs, wants and behavior is the safest way for business survival and growth. Ignoring these facts often leads to the collapse of business. Intelligent management should realize that the consumer represents the starting and closing points in the present world of business. It should also realize that understanding the nature of the consumer and studying his purchasing behavior have become an essential component of the marketing activity. Therefore, the producer is not to provide the market with what he thinks the consumer needs. Instead, he has to identify the consumer's real needs and wants, then make them available to him.[26] Without doing so, production would be pointless, and no increase of sales should be expected. Indeed, understanding the consumer is the key to successful marketing.

1.3 Components of the Marketing Activity

Marketing is no longer considered the last stage in business activities. Instead, marketing principles and procedures have to be applied prior to, during and after production. In the post-production stage, the marketing activity follows the product till it reaches the consumer and till he uses it in order to get feedback on his reaction, suggestions or complaints.

The vital role of an organization's marketing activity is manifested in the interaction between the organization and its environment. It is also reflected in the coordination with all the other activities of the organization, e.g. finance, production, human resources and customer service. The interaction and coordination should lead to the achievement of the organization's higher interests. (27)

Thus, an effective marketing activity requires full integration and coordination among the marketing functions and tasks themselves. This should lead to the successful implementation of the organization's plan,(28) which is meant to influence the behavior of the final consumer in the market.(29)

When formulating the marketing plan, those responsible have to choose the products, pricing policies, promotion methods and distribution methods that suit the organization's conditions on the one hand, and the surrounding environment on the other hand.(30) In other words, marketing management has to answer the basic question of what marketing mix is suitable for meeting the needs and wants of the organization's target market.(31)

1.3.1 The Marketing Mix

As an organization's marketing program, the marketing mix

includes four elements, known as the 4 Ps: product, pricing, place / distribution, and promotion. It is the function of the marketing activity to set the proper strategies for the 4 Ps. This requires studying and analyzing the marketing environment and available opportunities for the organization. It also requires identifying the factors affecting consumer behavior. Such studies are considered the main source for developing plans necessary for the following:

1. The policy of goods / services and the mix of goods / services suitable for markets and market segments;
2. Pricing policies for goods / services, and how to make these policies effective in gaining a larger share of the market;
3. A promotion and marketing communication policy explaining all about the organization and its goods and services through a proper promotional mix including personal selling, advertising and sales promotion, in addition to preparing plans for advertising campaigns whenever required by market conditions;
4. Distribution methods and how to make them successful in relation to the nature of the market and the organization's potentials.(32)

Thus, an effective marketing activity must include the four elements of the marketing mix, for they constitute the framework of an integrated marketing plan. Also, it may need a set of secondary policies that ensures successful application in varied circumstances. Let us define each of the four elements.

1.3.1.1 Product

The term "product" refers to what business organizations offer to their prospective customers in terms of goods, services or ideas. Modern marketing studies have expanded the definition to include personnel and tourist places and cities. A successful marketer is to identify the products that are best suited to his customers. This requires the application of a number of essential marketing

functions, such as: marketing research for developing current products; studying the product lifecycle; and launching new products that meet customers' needs and wants. In addition, the successful marketer is to perform a set of activities that facilitate obtaining and using the products, e.g. distinctive branding, package design, and providing warranty, and servicing, maintenance and spare parts that keep the products in good condition for a reasonable period of time.

1.3.1.2 Distribution or Placement

Distribution refers to the way in which goods and services reach the prospective customer at suitable place and time, and the way that ensures the customer will obtain them, and ensures exchange and possession by the final consumer or industrial buyer. Distribution involves several other activities, such as the following: physical distribution (transport, handling, storage, inventory management and control); setting the distribution strategy (e.g., direct or indirect, via intermediaries); selecting intermediaries (agents, wholesalers, retailers); and evaluating intermediaries and the ways of dealing with them as channels of distribution.

1.3.1.3 Pricing

Pricing is the process of balancing the benefits that a final consumer or industrial buyer obtains with the money he can pay for a product, a service or an idea. It is a complex process related to several economic and behavioral considerations; the price mix is based on the careful study of several factors, such as supply, demand, competition and consumer's ability to pay. Inaccurate price determination definitely has disastrous consequences; the organization loses either its customers or its profits, and both scenarios are bad. So, it must set proper pricing strategies that secure a strong competitive position for it in the market.[33]

1.3.1.4 Promotion

Promotion represents the element of communication with the consumer. Through it suitable information is conveyed to the consumer in order to motivate him to buy the organization's products. Promotion aims to achieve the following:

1. Familiarizing consumers with the organization's goods and services on sale, particularly new ones, in terms of name, brand, characteristics, benefits, and sales-outlets;
2. Reminding consumers of available goods or services in order to reinforce loyalty to the product, and possibly to prevent switching to rival products;
3. Changing any negative attitudes consumers may have towards the product into positive ones; and
4. Persuading consumers that the goods or services are beneficial to them and that they satisfy their needs and wants.(34)
5. Encouraging consumers to buy.

The promotional mix consists of several elements: advertising, personal selling, sales promotion and publicity.(35) Accordingly, promotion is described as "the official spokesperson" of marketing activities. It is carried out through a personal or impersonal means (newspapers, radio, television, etc.). It also involves continuous communication with customers so as to ensure the organization's presence in the present and future market.

Finally, it is worth emphasizing that all marketing activities must be integrated, otherwise serious consequences will accrue. For example, the good product whose price exceeds the consumer's ability to pay will be difficult to sell. Also, the distinct product that is not distributed at the suitable place and time will not see the light. If knowledge about the product is not given at the appropriate time, it may lose the consumer forever.(36)

1.4 Product Classification from a Marketing Perspective

In this section, we will deal with product classification and characteristics from a marketing perspective, as an introduction to defining consumer behavior in the next chapter.

The selection of products an organization offers forms the essence of the consumer's relationship with it. The products represent the set of benefits the organization gives to the consumer to meet his needs and wants. [37] This reflects the uniqueness of marketing as the means of bringing such benefits to the consumer. Therefore, marketing management is concerned with defining the quality of the required product, promotion methods and providing the services necessary for successful marketing in general.[38]

Thus, from a marketing point of view, a product is considered "a set of tangible and intangible properties, including package, shape, color, price, reputation - of the producer and the seller - and post-sale services, all of which are presented to the prospective buyer as an offer to be used for satisfying his needs."[39]

From a producer's point of view the product is seen as a tangible object containing raw materials, parts, and chemical specifications, and has certain physical properties. From a consumer's point of view, it has a different meaning. When he buys it, he buys its expected benefits and the material or non-material satisfaction resulting from using it.[40] For example, a consumer buying a car expects not just to satisfy the need for transport, but also to get distinction and enjoyment when driving it. It is necessary that the producer see the product from the consumer's angle as well.

1.4.1 Product Classification According to User

In general, from a marketing point of view, products are classified into two major sets according to product user:

a. Consumer products

These are the goods and services that a consumer buys by himself or through others in order to use (consume) them to satisfy his own needs and wants as well as his family's, but not to re-sell them.

b. Industrial products

These are the goods and services that an industrial buyer purchases for the purpose of using them in his production processes or producing other goods or services.

1.4.2 Traditional Classification of Products

As to consumer products, despite the many ways into which they are classified, the traditional approach classifies them into three major categories:[41]

1. Convenience products

These products are available to the consumer everywhere and at all times. The consumer does not exert a special effort in searching for them, and he can buy them from the nearest store at any time. They include such items as bread, groceries, drinks, and newspapers. Usually he buys them frequently and does not spend time planning for them or comparing among varieties or selecting among stores. Convenience products are usually sold to a very large number of consumers in small quantities and in small sizes. For each type and brand there are many alternatives, and the consumer often sees them to be similar in characteristics, advantages and quality.

Convenience products are divided into three types:

a. Staple products: These are products the consumer buys on a regular basis, such as groceries, toothpaste and laundry services.

b. Impulse products: They are unplanned purchases or products that require very little planning, such as soft drinks. They are available everywhere the consumer goes, so he rarely exerts any effort searching for them.

c. Emergency products: These are products not purchased under normal circumstances, but purchased to meet urgent needs, such as an umbrella to protect one from sudden rain, and over-the-counter medications. Marketers place these products on nearby shelves so that the consumer can get them easily whenever he needs them.

2. Shopping Products

These are the goods a consumer buys after comparing the available items in terms of price, properties, quality, warranty and service in order to select the best among them. Examples of these goods are household electric appliances, clothes and furnishings. The consumer spends more time searching for these selective goods than for convenience goods. They are purchased less frequently than convenience goods, and their prices are higher.

3. Specialty Products

These goods have unique properties and satisfy special consumer needs. Their buyers are willing to spend more money and effort to obtain them. With this type of products, the consumer plans carefully for buying them and does not compare available alternatives when shopping; he looks for a specific brand. If he does not find it, he is willing to wait for some time until it becomes available. Examples of these products include jewelry, gold lighters,

certain brands of perfume, luxurious cars, advanced medical equipment, luxury hotels and special services for first class flights. Most of these goods satisfy social and psychological desires, e.g. the desire for distinction and recognition.

It is worth noting that this product classification is associated with the consumer's environment and time. So, what is considered a specialty product at one time can be a shopping product at another time, and vice versa. Product classification is also related to age, income level, social class and other consumer characteristics that influence consumer behavior. Therefore, some writers classify consumer products in terms of the type of need they satisfy.

1.4.3 Product Classification According to Type of Need

According to the type of need they satisfy, consumer products are classified into two categories:

a. Essential products: The consumer needs these products in his daily life. They are considered among the necessities of life in a society, and they satisfy such basic needs as food and clothes.

b. Luxury products: The consumer obtains these products in order to satisfy a special need. Some consumers can do without them, e.g. spending the summer vacation in Europe or the US.

The distinction between essential and luxury products is subject to relative, changeable measures. For instance, a product that is deemed luxurious by limited-income individuals might be considered necessary by high-income ones. By the same token, some products regarded essential to city dwellers might be considered luxurious to villagers and country-side residents. Also, the continuous cultural development of society shifts many products from the luxury-product category to the necessity-product category. For example, the car is considered necessary for limited-

income people in Europe, while it is still considered a luxury in other societies.[42]

1.4.4 Product Classification According to Rate of Consumption and Use:

According to the rate of consumption and use, products are classified into the following:

a. Durable goods: These are goods that are used for a long period of time, are sold for relatively high prices, represent an important part of the consumer's income, may require technical expertise, and need post-sale service. Examples of these products include personal computers, television sets, refrigerators, cars, washing machines and furniture.

b. Non-durable (consumable) goods: These goods are used or consumed fast, once or several times during a short period of time, and are sold for relatively low prices. They include all the products consumed by the final consumer, such as food products and other goods he regularly needs and uses in his daily life.[43]

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Chapter 2

Consumer Behavior:
Definition & Models

Chapter Topics

Consumer Behavior: Definition & Models

Ignoring the fact that the consumer has become "the master of the market" and ignoring the study of his needs, behavior and motives will often lead to wrong decisions, which might lead to the organization's collapse.

Modern marketing considers the consumer as the beginning and end of its activities. In light of this concept, the organization has to plan, organize, direct, and control its resources and activities in order to satisfy the targeted consumer's needs and wants. This is to be achieved by providing goods and services with the specifications and quantities, and at the places, times, prices and terms that suit the consumer.[(1)]

In order to understand consumer behavior, it is necessary to have a complete picture of all his psychological, social and economic aspects. This knowledge enables marketing management to design suitable marketing strategies conducive to the achievement of the targeted benefits for both of the organization and its customers. Therefore, modern marketing studies investigating consumer behavior not only deal with identifying market size and estimating consumers' purchasing power in terms of income, but also utilize advanced scientific methods that draw on principles from such disciplines as psychology, sociology and economics. By so doing, modern marketing seeks to identify the various complex factors that influence consumers' purchase decisions.(2)

Underlying modern marketing are the following:

- The marketing activity sets the consumer at the top of the organization's hierarchy of aims. Its main aim is to satisfy the consumer's needs and wants. Towards that aim, the organization plans, organizes, directs and controls its activities.
- Not only does marketing seek to identify the consumer's current needs and wants, but also to discover dormant ones.
- The marketing activity seeks to translate needs and wants into goods or services.
- The marketing activity seeks to select the appropriate marketing mix from the 4 Ps. (product, price, place and promotion).
- The proper marketing mix is determined in light of the findings reached through the study of targeted consumers. The marketing strategy is based on market segmentation according to [consumers'] demographic, behavioral, and economic characteristics.

- Marketing activities go beyond the selling transaction. They involve post-sale services and following-up with the consumer to ensure his satisfaction.[(3)]

2.1 Consumption, the Consumer and Consumer Behavior

2.1.1 Consumption

Consumption can be defined as the process of purchasing and using a product, then disposing of the remainder. Final consumption involves using or enjoying the products (goods/ services) to satisfy such purposes that nothing suitable is left out of them to satisfy further needs. [4]

Accordingly, the basic components of the definition of consumption are:

1. Purchasing;
2. Usage;
3. Disposal of the remainder; and
4. Inability of the remainder to satisfy other needs.

2.1.2 Consumer

The term "consumer" refers to two types of consuming units, final consumer and organizational consumer. The final consumer (an individual, a family or a household) differs from the organizational consumer (a business organization, a government agency and a non-profit-making organization) in terms of behavior and the factors affecting it.

1. Final consumer

As the first type of the consuming units, the final consumer is any individual that purchases goods or services either for his own personal use (e. g. clothes and dental treatment) or for his family use (food items and carpets or curtains for the house)[5].

In other words, the purchase goal is to satisfy a need or wants of his own or of his family members.

In that regard, a distinction is to be drawn between the consumer and the customer. Whereas the consumer looks for a certain product or service to buy, evaluates it, owns and uses it, or disposes of it / the rest of it, the customer buys his needs regularly from a particular store. Accordingly, a consumer may or may not be a regular customer of a store. Also, the term "customer" is more associated with a certain store, while the term "consumer" is not associated with any company or store.

2. Organizational consumer

The second type of consuming units, the organizational consumer, includes commercial, industrial, and agricultural firms, governmental agencies, and non-profit institutions (e.g. charity societies, orphanages, relief organizations, and research centers). These organizations and institutions need the goods and services (e.g. machines, parts, stationery, furniture and merchandise) that enable them to perform their functions and to achieve their organizational objectives. For instance, industrial companies need raw materials, parts, and semi-finished goods necessary for production. Also, to help deliver their services to final consumers, service companies need equipment, e.g. for airline companies: airplanes, maintenance equipment; for government agencies, schools and universities: computers, furniture, laboratories, and stationery; and for hotels: furniture, sheets, and food stuff.

The organizational consumer does not purchase these products for the purpose of individual or family consumption, but for the purpose of organizational consumption. The purchased goods and services are used in the organization during official hours to achieve the organization's goals.

The distinction between the individual consumer and the organizational consumer has important implications for marketing.

Since the behavior of the final consumer differs from that of the organizational consumer in many aspects, each type requires a particular marketing strategy that suits its respective market.[6]

2.1.3 Consumer Behavior

As demonstrated above, defining "the consumer" is not easy, since the consumer is deemed the target and the starting point of the production and marketing processes. Thus, the key to consumption is the purchase decision, the consumer is the decision maker, and the consumption process is the result of making the purchase decision.

As for consumer behavior, it is defined as the activities the consumer engages in when looking for a good or a service to satisfy his need or want and when evaluating, obtaining, using and disposing of it, in addition to related decision-making processes.[7] This definition implies a number of underlying assumptions that can be summarized as follows:[8]

1. The process of decision-making may take place individually or collectively. The former is carried out by only one person. For example, a person takes a decision on his own to buy a book or personal clothes, without interference from anybody else. The latter is carried out by more than one person, as in the case of family members deciding to spend the summer vacation abroad.
2. Consumer behavior involves physical and mental activities. Examples of physical activities are: shopping, talking to salespeople and collecting necessary information. Examples of mental activities are: information analysis and comparison and making purchase decisions.
3. Consumer behavior is often goal-oriented, not haphazard or accidental, i.e. has a goal or a set of goals seeking to satisfy

presently unfulfilled needs.

From the above, it is obvious that consumer behavior is the pattern of behavior a consumer follows in searching for, purchasing, using, or evaluating goods, services, and ideas that he expects to satisfy his needs and wants.

Consumer behavior studies are valuable in terms of their impact on consumption units, ranging from the individual to the family, as well as industrial and commercial organizations. For example, they provide the individual with useful information to take proper purchasing decisions best-suited to his specific needs, wants, purchasing ability and taste. They can also help him determine and prioritize his needs and wants in light of his financial resources and surrounding circumstances.

Regarding their value for the family, consumer behavior studies can help families in the evaluation and selection of alternatives in relation to desired satisfaction, in addition to determining the purchase source and most opportune times for shopping from the psychological and financial point of view.(9)

Regarding the value for marketers, the study of consumer behavior helps the marketing manager understand the family's purchase attitudes and behavior. As a basic consumption unit, the family is regarded as the main buyer. Awareness of such things enables the marketing manager to develop appropriate plans for the family and each of its members too.(10)

2.1.4 Keys to Understanding Consumer Behavior

In order to understand consumer behavior, we must first consider the concepts related to this behavior, which are referred to as "keys" to understanding consumer behavior. These are:(11)

1. Consumer behavior is based on motives and incentives

Consumer behavior results from motives and incentives. Motives are internal factors that urge the consumer to behave, whereas

incentives are external factors representing rewards the consumer expects from purchasing the product. There are several types of motives:

a. Functional motive: A buying motive to have a certain function performed.
b. Expressive motive: A buying motive to express love and affection by purchasing, for example, a gift.
c. Complex motive: A complex buying motive aiming at achieving more than one goal as a result of the purchase act.
d. Defined motive: A buying motive that is clear and known to the consumer and others. This is the easiest purchasing motive.

2. Consumer behavior includes several activities

Consumer behavior consists of a set of activities that eventually lead to the purchase decision a consumer takes.

The activities are:

a. Thinking about a good or service;
b. Examining the advertisements on this good or service that are seen in the media or advertisement boards, for example, in the streets, on buses or on roof tops;
c. Discussing the issue with friends or family members and sometimes consulting them about it;
d. Making the purchase decision;
e. Visiting the stores displaying and offering the good or service for sale;
f. Evaluating and comparing product properties; and
g. Finalizing purchase.

3. Consumer behavior goes through successive steps

Consumer behavior is a decision that consists of three stages:

- Pre-purchase decision.
- Purchase decision, and
- Post-purchase decision.

Examining these three stages, we find that the first stage involves thinking about available offers, comparing their properties, and making evaluations and consultations. In the second stage, purchase actually takes place, as one visits sales-outlets in order to carry out the purchase. In the third or post-purchase stage - after possessing and using or benefiting from the product - evaluation is made to judge whether the purchase decision was right.

4. Consumer behavior varies according to time and structure

Time refers to when a purchase takes place and the length of purchase time. Both time dimensions are affected by a number of factors, which, in turn, vary across time.

As for structure, it refers to the number of purchasing steps or stages and the set of activities undertaken in each stage. So, time and structure are closely related.

5. Consumer behavior includes different roles

Consumer behavior differs from place to place, and this depends mainly on the roles the consumer plays, which eventually associate with his behavior very closely. As we will see later, consumer behavior can be represented by several roles starting with finding a purchase idea, passing through the purchase decision, and ending with using the product.

6. Consumer behavior is influenced by external factors

As the consumer exists in an environment, he naturally interacts with it. We are concerned here with the external factors that affect

consumer behavior. These factors can be described briefly as follows:

a. Culture: Culture refers to the beliefs and values which are prevailing in a society. The consumer adopts them, and they influence purchase behavior.

b. Reference groups: These include friends, clubs, and associations to which a consumer belongs. They often influence his behavior and decisions.

c. Social class: Social classes exist in every society. A society is divided into classes according to the standards of living of its members. Consumer behavior is usually affected by the consumer's social class and its characteristics and customs.

d. Family: The family is likely to have the strongest influence on the behavior of individuals. This is due to the early breeding and socialization they experience with the family. Therefore, the family influence is significant, especially in the Saudi society, where family ties are strong and the tribal concept is still present and robust.

e. Marketing methods: These methods include advertisements, personal selling, discounts, gifts and other ways of persuading consumers to buy. All of these are considered important factors influencing the consumer's purchase behavior.

f. Situational factors: These factors influence the consumer's purchase decision instantaneously and strongly. This usually happens when a consumer, shopping around, confronts tempting items on display which he cannot resist. So, he makes an immediate purchase decision on the spot.

It is worth noting that there are many other factors that affect the consumer's purchase decisions. Among them are social, psychological marketing and income factors. They will be discussed in detail later.

2.2 Models of Consumer Behavior

The study of consumer behavior is a very important and complex process. On the one hand, the individual is the cornerstone of any activity. On the other hand, the factors that determine his behavior and cause him to behave in a certain way are numerous. This is due to individual differences among people, and therefore, we do not expect that every person will respond in the same way to one particular stimulus.

Consequently, to know the consumer, we must, in the first place, understand his behavior that affects his needs and wants. Since behavior changes with lifestyles and the strength of encountered stimuli, it is difficult to predict human behavior accurately. As a result, it is not easy to know what goes on in the consumer's mind or the decisions he makes or intends to make in selecting the products that satisfy his needs and wants. This is so because the consumer responds to a set of stimuli that incite him to act, and these stimuli, whether personal or environmental, cannot be fixed at any time. The relationship between experiences and reactions is indeed governed by what goes on inside the mind.

It is now taken for granted that several factors are involved in the purchase decision-making process. The factors can be identified by means of models of consumer behavior analysis.(12)

Economists, psychologists and sociologists were pioneers in attempting to understand and explain consumer behavior. They were later followed by researchers in marketing and administrative sciences.

Approaches to explaining consumer behavior can be classified into two categories: the traditionl or micro-approach, and the comprehensive or macro-approach.

[A] Traditionl or micro-approaches. Each micro-approach starts from a specific angle.

[B] Comprehensive or macro-approaches. These use more than one traditional or micro-approach simultaneously.

2.2.1 Traditional or Micro-Approaches

The following are four traditional or micro-approaches to understanding consumer behavior:

1. The Economic Model

Economists were among the first who attempted to explain consumer behavior. The roots of the economic approach to explaining consumer behavior can be traced to Adam Smith's The Wealth of Nations and Germy Benthamen's The Consumer-Producer-Product. In his book, Adam Smith introduced a principle by which he explains individual and collective behavior on the basis of self-utility. In other words, whether the individual is a producer or a consumer, he always seeks to maximize his self-utility and minimize his sacrifice, i.e. buying for the least price and selling for the best price. This is referred to as "marginal utility", which is considered as the difference between the utility obtained from the latest produced or consumed unit and that obtained from the unit before it. However, Adam Smith did not address marginal utility directly but concentrated on "total utility."

Toward the end of the nineteenth century, Alfred Marshal and William Hyrvonss introduced the concept of marginal utility separately but almost simultaneously, and the economic model or the Marshal model came into existence. Other scholars such as Karl Mynjer from Austria and Lyon Walrs from Switzerland wrote about the economic model, which focused on maximizing utility and minimizing sacrifice. In other words, according to this model the consumer is a wise, rational individual, calculates his steps accurately, and when he decides to buy a product his decision is

based on the belief that the product he chooses is the best. However, from a practical point of view, a few consumers follow this model. It is also difficult to apply the model even to the industrial consumer. Although this model provides an acceptable, logical interpretation, it does not offer a good scientific explanation.(13)

In fact, economists themselves differ about this model. Some economists argue that the so-called rational man does not always make rational decisions, and that the economic man is a consumer who is influenced by several factors. For instance, low income may not allow the consumer to make rational decisions when he chooses from alternatives, and he has to take the prevailing price level into account. In this respect, the economist Bach remarks that most consumers are not that calculating economic man who compares the utility he will attain from what he wants to buy with the price he will pay. Yet, they are aware of the utility-price consideration.(14)

2. The Pavlov Model

Due to the inadequate explanations put forward by economists for many of the behavioral phenomena of consumers according to the economic model, marketers sought psychological explanations. This was based on the premise that the purchase decision is related to what goes on in the consumer's mind, and therefore psychology is the closest discipline to deal with such behavior.(15)

The psychological model of consumer behavior goes back to classical conditioning or conditioned reflex experiments conducted on dogs by the Russian physiologist Ivan Pavlov. He attempted to generalize the association concept between man's behavior and his nervous system. Others tried also to develop this learning model so as to apply it to human behavior.

This model consists of four main elements:

a. Need or motive, which has two types: primary motives, and

acquired motives.

A primary motive is associated with basic human needs, such as hunger, thirst, and clothing, which must be satisfied. An acquired motive is associated with the environment, for one acquires it from the external environment around him, such as family, surrounding atmosphere, and love for appearances and possessions.

b. Attribute or implication, which is associated with a product.

The product itself is the stimulus for consumer behavior so that he purchases it in order to satisfy his need for it.

c. Response or behavior, by which actual purchase takes place.

d. Reinforcement. When a consumer purchases a product, he assumes that its utilities will be as high as his expectations, and that his goals out of possessing it will be achieved. If this actually happens, a positive reinforcement occurs, and as a result, the consumer buys the product again in the future.(16)

3. The Freud Model

The Freud Model explains human behavior from a psychological, unitarian point of view. It explains human behavior in terms of psychosexual assumptions. Man's purchase decisions throughout life stages are related to his psychosexuality from childhood. Although the model's notion seems unitarian, and although the consumer is too subtle to be viewed from a purely unitarian perspective, the success of many products in the market place may be explained through that model.(17)

In their explanation of consumer behavior, psychologists have focused on investigating the real reasons operating in the consumer's mind and result in making the purchase decision, i.e. tried to penetrate the human mind. However, they found it very difficult to know the real reasons, and they only made some

inferences based on the decisions consumers had already made. Psychologists concluded that some psychological factors influence consumer behavior, and they must be studied to know their influence on decision-making. Among these factors are motives, perception, and learning.[18]

4. The Fiblin Model

The Fiblin Model is social-psychological. Despite Fiblin's economic background, he views the consumer as a social being, facing pressure from several sources: his general culture, sub-cultural determinants, and the communication groups in his daily life. The consumer's wants and behaviors increase because of belonging to more groups, at present or in future. Though man is an individual, his behavior cannot be explained independently, for he is a social being. Man is influenced by his surroundings, and this will result in differences in individuals' behavior on the basis of their aspirations.

To explain his perspective, Fiblin gave an example of the behavior of a certain social class and tried to generalize it to the behavior of the other social classes. He based his explanation on the affluent social class, whose behavior was motivated by internal factors such as pride, fame, love for appearances, and egoism. He explained that self-pride factors direct people's behavior in this class when they search for and buy some products that can reflect this feeling, such as luxurious houses, expensive, distinguished cars, and famous brand clothes.

Despite the importance of this model, it is relatively overstated for the following reasons:

The affluent class is not the reference class for all people, nor is it the class reflecting the behavior of all social classes, because not all people wish to be in this class; even if they became part of it, they would not behave like its members, whose behavior differs from one society to the other.

Even if we accept that ambition influences consumer behavior, that

ambition will often be reaching one class upward; a person does not jump from zero level to the top level of the social ladder. So, if he is a lower-class person, he tries to join the middle class, and gradually tries to reach the upper class.

It is also observed that many individuals belonging to the affluent class tend to reduce consumption, not to indulge in it. Perhaps the reason behind this is self-sufficiency or the desire to develop and invest. There are many individuals who seek to get along with their class, and few of them try to get away from it. In other words, a person belonging to a certain class tries to conform to it rather than leave it and become independent, otherwise he will be completely isolated from all classes. Thus, the upper class behavior is not supposed to be taken as a model to explain the behavior of the members of other classes.(19)

In general, sociologists consider the marketing activity to be focusing on a group of individuals influenced by a set of social factors. Marketing specialists have classified social factors and their influence on consumers from several perspectives that serve the explanation of consumer behavior according to the sociological model, in relation to the influence of reference groups, social class, and cultural factors.(20)

2.2.2 Comprehensive or Macro-Approaches

Various models have been used by researchers from such fields as economics, sociology, psychology, management and marketing in order to study consumer behavior. The comprehensive models are a good example since they are based on more than one variable. The following are some of them:

(1) The Howard-Sheth Model

As one of the most comprehensive consumer behavior study models, the Howard-Sheth model describes the various motives of this behavior and the purchase decision-making phases and

components.[21] It is used as a didactic model to depict consumer behavior in selecting the desired brand from available alternatives. It consists of three main parts:

a. Motivating inputs:

They are embodied in the brand significance and symbolism. They are largely influenced by social and environmental factors, particularly the things learned from family, friends and reference group.

b. External factors:

They comprise some social variables, not under the consumer's control, at least in the short run, but can be controlled in the long run. They include purchase significance, personal factors, social status, knowledge, timing and financial position. These factors might be either persuasive positive motives that encourage a consumer to buy, or frustrating negative motives that restrain the purchase process, depending on the situation facing the consumer during the purchase process.

c. Consequential factors:

They result from the internal and external variables.

The model's hypothetical structure that assists in forming the inputs is concerned with two major elements: perception and learning.

Perception

Perception is the processes concerned with receiving information coming in through a person's five senses (sight, hearing, smell, taste, and touch) and interpreting it to give it a meaning or recognizable, convincing form that the person can understand. It is also a mental representation resulting from the information received over days and years.

Perception includes three main aspects:

- Search for information
- Sensitivity to information
- Perceptual bias

The above three aspects together affect the quality and means of acquiring information. They also process information in terms of its relation to the would-be purchased product. On the basis of these significant aspects, the model has been developed, taking into consideration the accumulated information, impressions and recognized values. It also takes into account consistency between the information and what the person perceives, as well as the importance and influence of the information on the consumer.

Learning

Learning can be defined as a process of semi-permanent change in a person's behavior. It can also be defined as the process of acquiring experiences, qualifications, skills and information that help improve the individual performance. As a whole, they aim to positively modify behavior.

Learning comprises six components:

(1) Motives

There are two kinds of learning motives: specific and non-specific. In purchase aspects, a specific motive exists to buy a particular product, for which a consumer goes shopping. The non-specific purchase motive, which impacts consumer behavior, is the purchase of some item for the sake of boastfulness or curiosity. It is called non-specific because it does not emerge out of a particular material need a consumer intends to satisfy, but out of a non-material one.

(2) Awareness group

The awareness group includes the trademarks of the products a

consumer takes into consideration when purchasing a product in a particular category. In addition, there are other brand groups, like the rejected group and the equity group. The rejected group includes the brands that a consumer never takes into account or thinks of acquiring, and it is known as the neglected or rejected brands. The equity group includes the brands whose availability or non-availability makes no difference to the consumer.

(3) Situation

The situation refers to the prior arrangements regarding the purchase or use of brands.

(4) Intermediate factors

Intermediate factors facilitate the purchase decision.

(5) Obstacles

Obstacles prevent consumers from buying.

(6) Satisfaction

Satisfaction represents the positive response to the purchase or use of the product.

Advantages of the Howard-Sheth Model

The following are some important advantages of the Howard-Sheth Model:

(1) It can be satisfactorily used in the multi brand products as a good learning tool regarding the various aspects of studying consumer behavior.

(2) It can be viewed as a dynamic model which can be changed or modified by researchers.

(3) It has been put to the test in some applied studies and yielded good results.

Disadvantages of the Howard-Sheth Model

These are some important disadvantages of the Howard-Sheth Model:

(1) All purchase decisions are not systematic or sequential for all products. Some decisions are taken with no prior planning, and they do not follow the model's sequence.

(2) Unless there are various brands and products, the model will be difficult to apply, for it emphasizes the existence of varied conditions.[22]

(2) The Engel-Kollat-Blackwell Model

It is a learning model, and it is an example of the models used to solve the problems concerned with consumer behavior. The information processed under this model is exciting, motivating and stimulating, and can be compared to the inputs of the Howard-Sheth model. When being processed, the information impacts the consumer's purchase decision to determine the extent of the required response.

The pivot of this model is the internal auditing unit that directs information searching, processing and storage. The decision-making phase of this model is comparable to the input phase of the Howard-Sheth model. It comprises the following:

(a) Problem identification and definition;

(b) Evaluation of available alternative solutions;

(c) Selection of a potential alternative; and

(d) Evaluation of results.

Sometimes, there is no need to go through the activity of evaluation of solutions, as in the case of decisions based on routine. The decision-making process moves directly from problem definition to

selection.

Environmental factors can affect any of the decision phases and can be internally or externally related. Internal factors are concerned with the consumer's basic needs (e.g. hunger) or acquired needs (e.g. self-esteem). External factors are market related or the result of some marketing activities, such as advertising.

According to this model, behavior outcomes take one of the following modes:

(a) Satisfaction

The satisfied consumer stores his future purchase decision data in his memory so that he can remember to buy the same product in future.

(b) Frustration

It results from the consumer's skepticism of the decision he has taken. It is due either to his unawareness of the availability of alternatives, or to his belief that the selected alternative was not the best.

Such a feeling (of dissatisfaction or frustration) can behaviorally lead to: attempting to reinforce the decision validity, and seeking support for the decision made from other sympathetic individuals; or not attempting again. From a marketing perspective, seeking support for the decision can best be achieved by developing promotional programs aiming to:

- Reinforce the consumer's attitude towards the organization's products and brands.
- Raise doubts, through the media, over the consumer's decisions favoring rival products.

Thus, the environmental effects of the Engel-Kollat-Blackwell Model are obviously comparable to the external variables/factors of

the Howard-Sheth Model.

(3) The Nicosia Model

The Nicosia Model is considered a simplified form of the comprehensive model. It is based on the inputs of the organization's message to the consumer, which correspond to his characteristics. The Nicosia Model provides for interaction between the organization's behavior and that of the individual. Still, it is limited, as shown below:

(a) It assumes that the organization's message is concerned with products unknown or unfamiliar to the consumer, and consequently, he compares their characteristics to his own. Then, he adopts an attitude towards the products and what he wants from them. Basically, the model is limited to the products about which the consumer has no knowledge or experience.

(b) It has not been practically tested. In other words, no applied studies have been conducted to verify its hypothesis or practical potential.[23]

Having reviewed the most important models for studying consumer behavior, we can generally say that marketers have two ways for understanding the nature of consumer behavior. The first way includes the use of direct observation and questioning of the consumer, as part of the marketing program application. In the past, marketing managers achieved this goal through daily contact with consumers. Today, the size of markets and organizations obviously prevents most marketing managers from such direct contact with consumers. This has given rise to direct means.

The second way relies basically on the use of direct means in marketing research. The marketing manager employs specialist researchers to study and describe consumer behavior by use of various qualitative and quantitative methods. The answers to the following questions represent the main goals of such research

efforts:

Who will buy? How will he buy? When will he buy? Where will he buy? Why will he buy?

Who will buy refers to the actual purchaser and his roles during the purchase process.

How will he buy refers to the method he follows in purchasing, whether in cash or on credit and individually or collectively.

Why will he buy indicates the potential motives and reasons behind the purchase decision.

When will he buy refers to purchase time: weekdays or weekends; morning, afternoon or evening; or season (summer, winter, spring or fall).

Finally, **Where will he buy** indicates the sales outlet he will buy from and the commercial centers a consumer prefers as well as the geographical area, (e.g. the Eastern / Western Province of Saudi Arabia).(24)

The answers to the above-mentioned questions are crucial and vital to the evaluation of the efficiency of the marketing strategy and the marketing program elements. The organization that properly recognizes how consumers respond to its marketing mix (product, price, distribution, and promotion) will most likely achieve significant competitive advantages in the market. The primary question will then be: How will consumers respond to the various marketing stimuli used or may be used by the organization?

The organization that is well aware of how consumers will respond to the various properties and prices of its products will have clear superiority over other rivals, thus strengthening its competitive position. A starting point for understanding consumer response can be depicted as a stimulus-response relationship through a consumer Black Box Model. The term "Black Box Model"(25) refers to the consumer's mind, for its content is not known. The marketing and non-marketing stimuli enter the Black Box, then particular consumer responses emerge.

Marketing staff should endeavor to understand the Black Box of potential buyers / consumers. They have also to understand how stimuli yield positive responses inside the box.

The black box has two main parts: The first is concerned with the consumer's characteristics that influence his response to the stimuli, in addition to the environment factors influencing him. The second represents the purchase process itself, which influences the final outcome or response.

2.3 The Saudi Family's Decision Model of Purchasing a PC

In a study conducted by the author on the Saudi family's consumption behavior, he presented a model for studying the Saudi family's decision of purchasing a personal computer. The following represents the model's three angles.

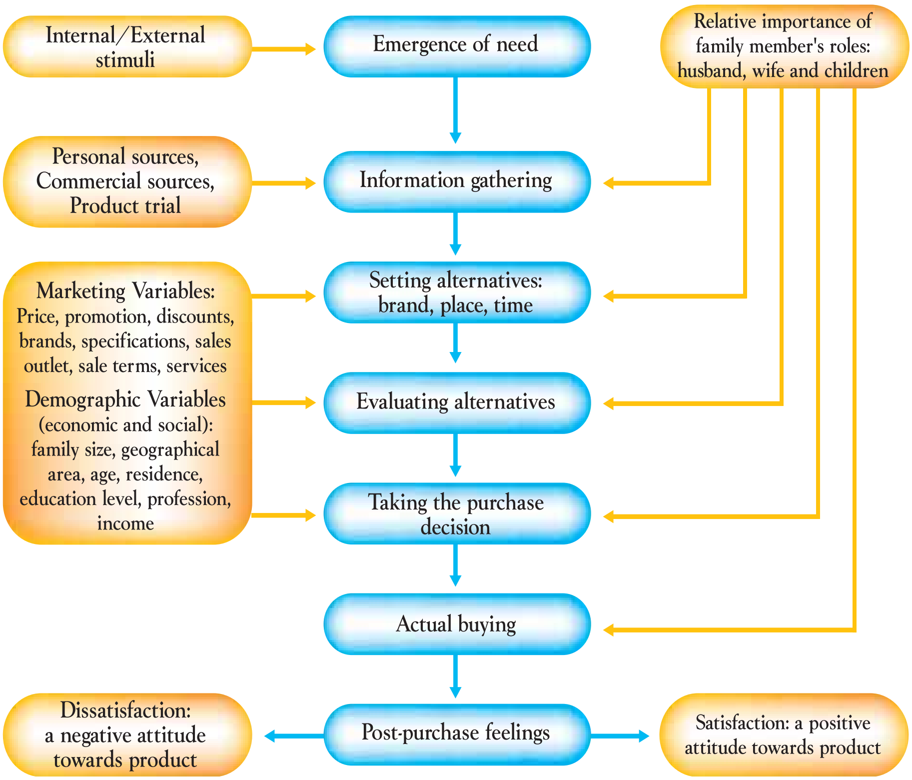
The first is a description of the model, i.e., an analysis of its elements, explaining each element, analyzing its role, and emphasizing its importance as a separate element.

The second describes the model's elements during action and interaction with the purpose of showing interaction dynamics, highlighting the relative role of each element and the differences among roles according to the difference in application and decision nature.

The third explains the implications of the model for marketing decision makers at the organization's level, i.e., the reflections of this model - especially when its elements are in motion - on the appropriate marketing mix for PC manufacturing and marketing companies. Figure (1) delineates the study model.

Figure (1)

Purchasing Decision Model



2.3.1 Model Components /Elements

1. Family/Household

For the purpose of this study, the Saudi family is considered a consumption unit consisting of two or more individuals, related by marriage or blood, and live in the same house. Therefore, the family - as a decision-making unit in this model - is often expected to consist of a father, a mother, children, and sometimes other relatives. The absence of any of these elements does not necessarily negate the characteristic of being a consumption unit.(26)

2. External information sources (27)

These are the non-family sources that provide the family with information on products, sales outlets, offers, prices, and services. These sources can be divided into:

1. Personal sources: such as friends, neighbors, acquaintances, and workmates.
2. Commercial sources: such as advertisements, salespeople, distributors, displays, and packages.
3. Public sources: such as the media, government publications, and other organizations concerned with serving consumers.

3. Marketing environment

This includes all the firms, products, and marketing methods available in the PC market. Here, the manufacturing firms, different types of marketing firms, their sales outlets, display styles, and sales, pricing, and advertising personnel; in other words, all the forces that comprise the supply side of the market. PC technologies - including both hardware and software - might be considered a component in this environment due to their direct impact on marketing activities.

4. Macro-environment (28)

This means the economic, technological, and political climate,

cultural trends and demographics surrounding the PC market in the Kingdom. It is known that the decisions of the family as a buyer of a durable product having a technological dimension, such as the PC, will be subject to - among other factors - the influence of the general climate of the market, including the Saudi market. For example, the economic climate might be in a state of expansion, recession, or in-between. The social climate might be for or against buying.

As to the cultural dimension of the environment, it has a major influence on the buying behavior of the Saudi family, and this influence ranges between motivating, encouraging, approving, rejecting, and setting a taboo on behavior. The domestic, regional, and international political situations, with their stability or instability, have their influence too. Finally, the geographic dimension of the market (how large it is), as represented by the spread of the population on a large geographical area, has its influence as well.

2.3.2 Model Mechanism

When the model is in motion, it consists of the following components:

Inputs

These are the actions and interactions of the model's elements in the form of information exchange or expression of behavior or opinion in light of the received information. This takes place before making the purchase decision.

Operations

The operations relate to the family's actions when a need is felt, information is collected, alternatives are considered, a purchase decision is made and purchase is completed. They cover post-

purchase behavior, including attitude change. They also include information storage when the chosen alternative is not to buy.

Outputs

Outputs are the outcome of the process in the model's motion, whether it is buying (behavior), forming an opinion (expressing an attitude), or postponing the purchase decision for a later time (behavior). The buying action (behavior) may result in secondary outputs such as satisfaction or dissatisfaction with the purchase experience, or post-purchase dissonance.
The interaction among these components can be described as follows:

1. The Saudi family starts to feel a need for a PC due to a stimulus on the part of one or more family members, either for an objective reason related to the need to improve one's performance at work or at school, or for a personal reason such as a desire to learn, to imitate others, or to possess new products.(29) The stimulus might be external in the form of an advice from a colleague, a friend, or a relative, an advertisement about a product or about an attractive offer, work pressures, or school problems for which a PC provides a solution. In this case, all of these stimuli may be pressing on one family member, and different individuals may be influenced by different stimuli.(30) Feeling a certain need will create a gap in one's satisfaction domain, which moves the family toward behavior in order to fill this gap.
2. After a need appears, one or more family members start to collect information on the gap in the satisfaction domain. He (or they) will refer first to his (or their) mental inventory of knowledge, past experience, and values that are related to this need in order to form a knowledge base. Then, he supplements this base with information obtained from external sources. Among these sources are: personal sources such as friends,

neighbors, acquaintances, and workmates; commercial sources such as advertisements, sales people, distributors, and displays; and public sources such as the media or governmental and academic publications.

It can be said that in its effort to collect enough information for making a decision concerning its need for a PC, the family, as a consumer, will exert above-average effort in terms of the type and quantity of information and the checking of several sources for the following reasons:

a. The consumer behavior literature(31) indicates that a consumer usually tries to obtain more information when he buys durable goods - as in the case of the PC - than when he buys convenience goods or even shopping goods of a lower value. Buying durable goods is always associated with two types of risk that a consumer perceives. The first type is related to the large amount of money he will pay for the product, and the second type relates to the relatively long period of time in which he will be using the product. Therefore, before making a purchase decision, a consumer usually tries to reduce these risks by obtaining more information about the product.

b. In the case of new and complex products, such as the PC, the consumer does not know the mechanisms of their production and operation and how to benefit from them in the ideal way. This adds an element of ambiguity, which increases the consumer's perception of further risks when making the purchase decision.

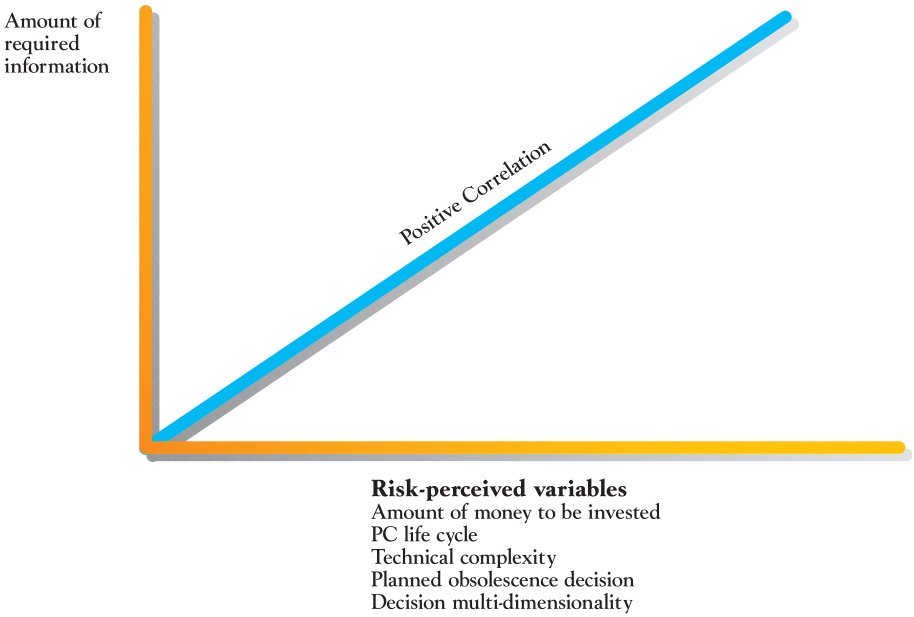
c. Immature or technically incomplete products are always subject to continuous technological development (as in the case of PCs and mobile telephones), which creates another type of consumer perceived risk related to planned obsolescence. Planned obsolescence makes the product that was purchased one year ago, for instance, an old product, not

because of use but because of the introduction of new models that are more efficient and sometimes less costly. This situation results in consumer's hesitation. He will then search for more information that helps him in approaching the right decision. Here, the reference group might play a role as a trusted source of information.

d. The PC purchase decision is multi-dimensional technically and economically. There are also dimensions related to the purchase sources and appropriate transactions. Accordingly, we can say that the nature of the PC as a durable, complex product that is subject to planned obsolescence, will make the family - as a buying unit - seek more information in order to clarify the situation of the purchase decision, as illustrated in Figure 2.

Figure (2)

The relationship between amount of information and risk-perceived variables in the PC purchase decision



Given that risk perception differs among people according to their personality types (adventurous, hesitant, or moderate), collecting and analyzing information in order to reduce perceived risk also takes place at different levels according to the differences among personalities.

3. Processing the information collected by the family - as a consumer - will enable its members to determine the size of the unsatisfied gap, then determine various buying alternatives. Information processing will identify the needs of family members, whether they are entertaining, educational, or related to task implementation at work or at home. Some families might realize that the PC can perform some functions that they did not know about before they obtained the information, such as: using the PC as a fax machine; using it in preparing a list of acquaintances, their telephone numbers, and class schedules; or using the Internet in several ways. After determining the gap, the family identifies the buying alternatives, including not buying because there is no justification, or at least postponing the purchase to a later time for financial reasons, etc. If the decision is to buy a PC, the alternatives will be considered through the analysis of obtained information. Some information sources will dominate others due to their credibility (e.g. a friend who is an expert negotiator with salesmen), clarity, and reliability.

Among the alternatives available to the family when buying are the following:

PC capacity

Two factors account for consumers' attention. They are speed and processor capacity, which are subject to continuous development over time. At the present time, the available speeds are 1.5, 1.7, 1.8, and 2.0 gigabytes, while the available processors are 3 or 4 gigabytes. The more sophisticated consumer may ask about RAM,

ROM, cache memory, HD, VGA, fax modem, the number of slots which range now between 14, 15, 17, 18, and 20, CD writer, etc.

Purchase sources

These sources provide information about various PC specifications and trademark choices in addition to economic incentives such as lower prices or free attachments (e.g. software, cables, gifts), credit sales and technical incentives (such as training, free home delivery, warranty extension, or free maintenance). The consumer obtains information on purchase sources from shopping around, examining PCs, and sometimes experimenting with them. In this regard, the experienced salesman can play a positive role in persuasion. The consumer may obtain the information from a newspaper advertisement or a mail brochure. Other sources include previous experience with a purchase source, and a recommendation by a friend, relative, or workmate. Comparing among the sources remains an analytical process determined by an evaluation of the advantages and shortcomings of each source in terms of its purchase terms.[32]

Trademark

As in the case of many other durable goods, the PC trademark has a significant influence on the purchase decision. The trademark represents an indicator of product quality and reliability. Although the PC has become one of the products that requires less post-sale service, the consumer carries more positive attitudes towards the trademarks of significance in the history of PCs, such as IBM, Apple, Dell, Compaq and HP. These are trademarks of US companies known for their high quality products and great ability for development.

However, since the mid-1980s, the PC market has been dominated by Asian alternatives that perform basic computer functions without high quality, but are characterized by lower prices which entice consumers towards them, sacrificing quality. The American

industry seems to be benefiting from this situation and to be regaining its share of the international market by offering PCs whose prices are close to their Asian counterparts, but with obvious merits in terms of real quality as well as perceived quality, as represented by a well-known trademark of great history (e.g. IBM).

4. At the stage of information processing, when the family identifies the alternatives, evaluates them, and selects one of them (i.e. makes the purchase decision), the social, economic, and demographic variables surrounding the family influence its action.[33]

When determining the appropriate PC for the family, certain considerations are relevant. For example, considering its size, a family may select a high-capacity PC or buy two PCs or more because of varied needs.

Also, age distribution of family members also influences the type and number of purchased PCs. For instance, the presence of children at different ages, hence varied educational or entertaining needs, may influence the purchase decision.

Considering the father's profession, it has social significance that influences purchase decisions since it signals the social status of the family as a whole. Also, the mother's work, especially in a distinguished professional or technical field, influences the type and number of purchased PCs and the chosen brand since her profession may have a relationship to PC use at home.

As for the educational levels of the father and the mother, it may have a direct relationship not only to the selection of the appropriate PC, but also to determining how urgent the need for it is. A high level of parents' education is related to having a PC at home, and to the type and number of PCs bought, and the preference of a specific brand. In addition, the type of diploma received by a spouse (e.g. a diploma in a computing field) has direct impact in this respect.

Then comes the family income. It plays a role the influence of which varies in most purchase decisions. This role is a major one in the case of durable goods including PCs where the ability to buy has direct relationship to the PC purchase as soon as needed and without postponement until money becomes available. The higher-income families are expected to own higher-priced PCs, and perhaps more than one.

Considering the geographical area with its special social atmosphere, a distinction can be drawn between countryside and nomadic families and urban families. PCs are expected to penetrate the latter more than the former due to the urbanites' lifestyle and their exposure to the social conditions that facilitate their knowledge of technologically-oriented products. In addition, marketers of this type of product are very active in urban areas, and the nature of jobs available in these areas makes the need for PCs more urgent. Thus, it is expected that countryside residents are less inclined to own PCs and less willing to follow-up related technological changes or own new PC generations than city residents are.

5. In the stages of information analysis, alternative evaluation, and decision-making, the role of each family member differs according to the following:
   a. The degree of need urgency for the PC may influence the speed of decision-making.
   b. The size of personal knowledge and past experience affect the PC type, purchase sources, and related information sources. In this respect, some psychological reflections may surface from the "black box" (or the mind, as described by behavioral scientists, as none know what is going on in it). The most important of these reflections is the inventory of personal knowledge, experiences, and values, which form one's attitudes toward the products and the firms selling them. These attitudes cause biased perception (taking a

position toward a product or a firm without providing good objective reasons). It is rather based on the accumulated psychological inventory.

c. The nature of one's need for the PC determines its specifications and the type of software loaded on it.

d. Who finances the PC - the father, the mother, or both - has a role in determining how much is to be allocated to the purchase.

e. One or more family members might do the purchasing, because of negotiating skills, past experiences or mobility outside the house.

6. After buying and using the product, many sentiments arise. They range from dissonance regarding the rightness of the purchase decision to the feeling of satisfaction or dissatisfaction with it. Dissonance usually takes place after making the decision, especially in the case of durable goods where the consumer would have been exhausted in searching for information, comparing alternatives, and selecting the best alternative. This is described as a high-involvement situation. So, at this stage, the consumer becomes sensitive to the decision's utility and needs information that supports his decision. Satisfaction takes place when the benefits sought by the consumer from the purchase are attained. If attained beyond his expectations, the benefits make him happy, whereas lack of some expected benefits results in a state of dissatisfaction. Therefore, it is recommended not to raise consumers' expectations regarding product benefits to unrealistic levels.

7. Post-purchase sentiments may have many possible outcomes:

a. The buyer may repeat the purchase of the same brand or from the same source in the future. For example, past research

points to this behavior in the case of buying cars.

b. The buyer may feel satisfied with the brand, and so he spreads positive opinions about it.

c The dissatisfied customer may return the product or even make a complaint or go to court.

d. The dissatisfied customer may look for information in favour of the product in order to help him overcome the feeling of dissatisfaction.

e. The dissatisfied customer may stop buying the same brand in the future.

f. The dissatisfied customer may advise acquaintances and relatives not to buy the product.

g. Advertising and communication efforts by producers and marketers will definitely reduce negative post-purchase sentiments and help convince the buyer that his purchase decision was right.(34)

2.3.3 Model Implications

The above analysis of the PC purchase decision model of the Saudi family has the following academic and professional implications:

1. PC producers and marketers have to study the social, economic, and demographic background of the Saudi family (i.e. consumer characteristics) before developing their marketing plans. Also, the motives and needs of this family for a PC must be studied (i.e. consumer's objectives when buying). Then comes the analysis of the purchasing process itself in terms of: the multiplicity of roles inside the family (how the family interacts as an organization when buying); how the decision-making process is completed and implemented (what the processes are); and finally the time and place suitable for

implementing the purchase (when and where the purchasing process takes place).

2. PC Marketers' awareness of the mechanism of the Saudi family's decision-making - in terms of inputs, processes, and outputs - will help them offer a suitable marketing mix, which enables them to serve the consumer more effectively. Knowledge of the socio-economic background helps identify the family's lifestyle, which, in turn, helps define the demanded goods and services.
3. Knowing the relative roles of family members in making the PC purchase decision, knowing the psychological involvement of decision makers when searching for and analyzing information, and knowing the number of available alternatives may reveal possible negative post-purchase sentiments among consumers. This knowledge enables marketers to plan for dealing with such sentiments through a campaign of information and psychological reinforcement.
4. The consumer has different needs for information at each of the purchase decision-making stages. Also, he is subject to certain influences at each stage and perceives some risks associated with the decision. Realizing this, marketers must provide decision makers with information, advice, or action that leads them to the proper decision at the proper time.
5. Knowing post-purchase behavior, whether that of the happy consumer, the satisfied consumer, or the dissatisfied consumer, enables marketers to deal with each of them more effectively. The happy and satisfied consumers are a living advertisement for the producer, the marketer, and the product, whereas the dissatisfied consumer is not. Prevention might be better than cure.

Thus, marketers must be always prepared to secure their customers' satisfaction and beyond, to the happiness level. This will only be

achieved by offering a product that satisfies the customer's need, as well as by marketing efforts that facilitate decision-making and maximize the benefits the customer gets from the product.

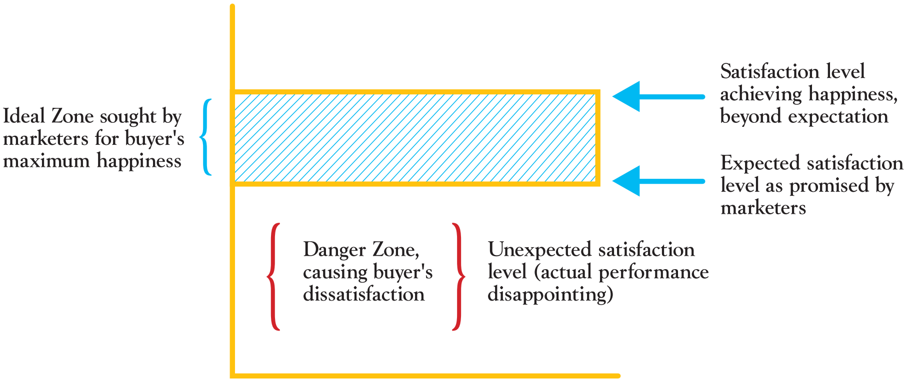
As to the dissatisfied consumer, marketers must look for him, find out the reason behind his dissatisfaction, compensate him, and change his negative attitudes and dissatisfaction to satisfaction and happiness, even if this requires returning the product, refunding its price and apologizing to the consumer. No marketing benefit will be achieved if a transaction is made but a customer is lost. This customer will convert in the long run to a counter-force against the firm's success.

In addition, dissatisfaction is sometimes caused by mis-marketing and mis-selling, which lead the consumer to expect a performance level which the product cannot reach. The result is consumer's disappointment because of the gap between the expected ideal performance promised by the firm and the actual performance. Hence, it is not a good marketing practice to claim benefits for the product that it does not originally possess, or to use an approach that makes the customer expect these alleged benefits; these promises will backfire.

Figure (3) shows the ideal zone that producers and marketers should try to get their customers to reach, either through a distinct product or a high-quality service. In fact, the consumer seeks an integrated transaction of a product, cost, and service. As a rational being, he tries hard to maximize his benefits.

Figure (3)

The Ideal Zone which Producer and Marketer Help the Customer to Reach



6. The inventory of post-purchase experience, whether related to happiness, satisfaction, or dissatisfaction, will be stored in the "black box" as a chemical composite (mental inventory), and will interact with events every time there is a chance to do so either positively or negatively. The reaction of the consumer, who has this inventory, will take place every time a friend or a relative seeks his help in a similar buying situation, or even in the form of a voluntary advice for or against the product or the firm in a social gathering or in an invitation to dinner.
7. We expect that the Saudi family's cultural heritage of religion, language, and history, and even the official and public political situation will have direct and strong impact on purchase decisions. Positive or negative bias towards certain products or firms may occur, resulting in buying or refusing to buy. This is due to the stored attitudes formed on religious, linguistic, or historical values, or due to official or public political positions vis-a-vis certain countries, firms, or products (e.g. boycotting some products).
8. Family extension and cohesion in the Kingdom, bringing

together parents, children, and grandparents, will always increase the importance of family members' impact on the purchase decision, particularly on the choice of products or firms. The family will continue to be the primary reference group when making decisions, since the pressures of children sometimes influence decisions.

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Chapter 3

Consumer Purchase Decision

Chapter Topics

Consumer Purchase Decision

One of the basic duties of marketing management is to accurately define the potential buyers of its product. Since marketers are mainly interested in the purchase decision-making process, marketing management needs to identify the individuals who participate in it, and to define the significance of the roles each one plays throughout the phases of the purchase process.

3.1 The Process of Decision Making

The science of consumer behavior attempts to explain and understand how the purchase decision process takes place on the consumer's side. This understanding contributes to the formulation of sound marketing decisions. Scientific attempts provide, at least, logical deductions regarding consumer behavior when taking the purchase decision. They also provide a framework for market research, which is considered the basis of the marketing processes.

Decision-making is a recurrent, changeable and sequential process that ranges from quick routine decisions to others that take time, effort and expenses. It has two aspects: the process phases; and the factors that influence it.

3.1.1 Phases of the Purchase Process

The Wentz-Eyrich Model(1) is one of the models that describe the purchase process phases. It emphasizes that the purchase process starts before actual purchasing, and continues after it. The process passes through the following phases:

(1) Stimulus

(2) Problem identification

(3) Searching for alternatives (information)

(4) Evaluation of alternatives

(5) Making purchase decision

(6) Post purchase behavior

Similarly, the Engel-Blackwell-Miniard Model considers the continuity of the purchase process, from the pre-purchase phase to the post-purchase phase, as an impetus to marketing management to focus on the purchase process as a whole integrated unit, not as the purchase

decision phase alone. Also, it maintains that the purchase decision passes through five stages:

(1) Problem identification (need)

(2) Search for information

(3) Evaluating alternatives

(4) Purchase decision

(5) Post-purchase behavior

Considering that by taking purchase decisions, consumers seek to solve their consumption problems, the purchase decision process comprises three stages:

First: Pre-purchase stage

(1) Encountering a consumption problem and feeling the need to solve it.

(2) Searching for and collecting relevant data.

(3) Evaluating solution alternatives.

(4) Selecting the best alternative.

Second: Purchase stage

(5) Finalizing the purchase.

Third: Post-purchase stage

(6) Consumption and evaluation of the purchased brand during and after consumption.

(7) Product disposal.[2] Though there are a lot of purchase decision process models, no ideal, comprehensive model of consumer behavior has been reached,[3] for the consumer is still a "closed box", and it is difficult to predict his internal thoughts and decisions.[4] The author, therefore, suggests a

practical model for the purchase process stages as applied to the Saudi family's PC purchase decision. The proposed model can be applied to decision-making in the purchase of other products.[5]

The purchase process stages can be summed up as follows:

(1) feeling a need and recognition of the product advantages;

(2) data collection and evaluation of data sources;

(3) identifying alternatives;

(4) evaluation of available alternatives;

(5) decision-making;

(6) actual purchase; and

(7) post-purchase feelings (satisfaction, dissatisfaction / frustration).

In what follows, we will consider the above-mentioned phases in detail:

1. Feeling the need and recognizing the product advantages

The starting point of any behavior is feeling a specific need, where the consumer is driven by a stimulus. The stimulus is important since it can help create the need or make the latent one clear, and hence the consumer can identify the good or service that will solve his problem or satisfy his need.

The stimulus is of various forms and sources. It could be social, coming from one's surroundings, like friends, neighbors or family members. It could be commercial, as represented by a message from marketing bodies, such as the producer, wholesaler and retailer in order to draw his attention to a product or to awaken a latent need. This way, one feels an internal drive to satisfy the need. The most outstanding forms of this stimulus include advertisements, personal sale techniques, and various promotion methods. There are non-commercial stimuli as well, as provided by non-profit organizations,

including data offered by government departments and consumer reports. These stimuli are reliable as consumers feel that they are for public, not personal interest.

Finally, the stimulus can be a basic need a person feels, as in the cases of hunger, pain or fatigue. This feeling drives him to behave in a particular way, and so it is called "motive". In many cases, it is difficult to determine why the consumer thinks that a particular good or service will satisfy his needs; consumers buy the same items for different reasons (actual need, prestige, boasting, etc.). A consumer may not recognize the actual motive behind his response to a stimulus in a particular way. He may be aware of his motive, but due to social or economic considerations, he decides to conceal it, by pretending to respond to another motive.

Thus, needs can be said to result from internal or external stimuli. What, then, is the role of marketing management at this stage? Its role lies in identifying the conditions that stimulate the consumer's needs. It has to conduct studies to identify the needs he feels, how to stimulate them, and how to direct them towards the target product.(6)

When the consumer realizes that his need or want is pressing and must be satisfied, he proceeds to the second phase of the purchase decision-making process, otherwise the process will end there, or will be delayed until a stronger stimulus emerges.

2. Collecting information and evaluating its sources

After defining his needs, the individual proceeds to find the means of satisfying them. The information and experiences available to the consumer may be rather limited, and, consequently, he starts to search for information. He might be well informed on the product and the purchase situation, and is fully aware of the available alternatives. Therefore, he does not need to embark on a process of comparing alternatives. Instead, as soon as he feels the need, he makes an instant purchase decision. For these reasons, marketing

efforts at this stage should increase the amount of information available to customers about the products. This is meant to reinforce need urgency.[7]

The consumer can obtain necessary information about the alternatives that can satisfy his needs from a variety of resources. They are:

A. Internal resources

Internal resources refer to the consumer's past experiences, uses, investigations and study of the product.[8] In other words, he relies on his own past experiences in dealing with a specific need. He tries to remember the alternatives that best satisfied that need in the past.

B. Group resources

This is sometimes called "personal resources"[9] or "social resources".[10] Information is normally obtained through contact with others, including family members, friends, neighbors, etc. These are often regarded as the most effective in the purchase decision-making process, particularly if the information comes from a reliable person, with expertise on the alternatives that can achieve the purchase process aim.

C. Marketing resources

These are commercial resources that contain information prepared through communication efforts made by an organization for the market. They include advertisements, product display methods, personal sales, sale boosters, and package labels. These are considered one of the important information sources on a particular product.

D. Public (non-commercial) resources:

These include mass media resources such as unpaid newspaper articles about the product, and reports prepared by consumer

organizations. Maintenance and repair technicians can also be considered among these resources, since they provide unbiased advice on the basis of their professional experience. These resources are highly reliable, as they are mainly concerned with product quality, and they are not on the side of the producer or the marketer.

E. Experimental resources:

This includes the possibility of examining and trying the product during purchase. This requires an actual shopping tour as a final resource for information. For instance, the individual can test a TV set before purchase to check picture and sound quality. The same thing can be done with a PC. Some car showrooms invite customers to test-drive their cars as a means of providing substantial information about the new models and enticing prospective buyers.

3. Defining available alternatives

This stage is an extension of the previous one. In fact, most models consider it as part of the information gathering stage. Having collected relevant information from various sources, the consumer processes it in three steps:

a. defining information

b. understanding information

c. determining alternatives

At this stage, the consumer begins with determining the alternatives that can satisfy his needs or wants. Then, he puts them on a list to distinguish between desirable alternatives and undesirable ones, eliminating the latter. He also lists the advantages of each alternative. It is not necessary to write down the alternatives. The customer may go over them in his mind.

Broadly speaking, the consumer stores the need in his mind, then

proceeds to collect information about the product that can satisfy that need.[11] He may determine the alternatives in a simple way using his memory and past experience. He may also conduct a research to define the required alternatives. This depends on the amount of information available to him, the depth and variety of his past experiences, and the extent of his trust in the validity of the information and his attitude towards its resources. [12]

When this stage is complete, the consumer has to decide whether or not his immediate need can be satisfied through any of the available alternatives. If it turns out that most of the available alternatives are satisfactory, the consumer moves to the following stage, otherwise the decision-making process comes to a halt. This means the consumer's need cannot be satisfied through any of the available alternatives. If there is only one alternative, the decision is spontaneously taken, and the consumer directly moves to actual purchase. This seldom occurs in competitive markets, but often happens in monopoly markets and in the absence of alternatives.

4. Evaluating available alternatives

At this stage, the consumer has plenty of information to enable him to select from a list of available alternatives. The choice can be easy if an alternative is markedly advantageous, as in the case of comparing a product of high quality and low price to a product of medium quality and high price. Naturally, the consumer will spontaneously opt for the first alternative, but this is not always that simple. The consumer often has to evaluate the alternatives before deciding to buy. This comes in the middle of the purchase decision-making process. Some of the factors that affect the period between feeling the need and making the purchase decision include:

a- the extent of the consumer's need urgency for the product and the quality of benefit expected from it;

b- the personality of the purchaser, his experience and the

information available to him; and

c- the product price, as the monetary sacrifice the purchaser makes to benefit from the product advantages; the higher the price, the longer the time taken by the consumer to make a decision,[(13)] particularly in evaluating the available alternatives.

If there is more than one suitable alternative, the consumer will have to define the evaluation criteria for the alternatives and their relative importance. So, he lists alternatives in their order of importance. Then, he selects one, i.e., a decision is taken. "The consumer evaluates alternatives according to a set of specific criteria. What matters is the definition of the suitable criteria necessary for each product.[(14)]

Evaluation criteria are the advantages the consumer finds in a particular good or service. They include price, quality, warranty, and availability of spare parts, etc. The consumer can be assumed to see the commodity as a number of properties. A camera, for instance, comprises such properties as picture quality, ease of use, size, and price. As for a hotel, desirable characteristics include location, service, cleanliness, reasonable charge, and the surrounding atmosphere.[(15)] The consumer assigns relative weights to each of these properties, and he evaluates each alternative in terms of meeting these criteria. The importance of each advantage is determined according to consumers' desires. While some consumers consider price as the most important, others prefer quality.

Herein comes the significance of arranging alternatives in terms of preferences. This can be difficult if the differences between alternatives are not clear cut, or when the alternatives are completely new to the consumer, hence lack of experience. We can accurately predict the customer's choice of brands if we characterize the relative weights of the criteria he employs in selecting from a multiplicity of alternatives.

Generally speaking, a logical approach to characterizing the evaluation processes rests on the following:

1. The consumer is well-informed about a number of trade marks of the product.
2. The consumer is aware that some of these brands can satisfy his need.
3. Each of the brands has certain advantages and characteristics in varied degrees. The consumer is aware that a number of these features are suitable for him.
4. The consumer will select the brand that has the greatest number of desirable features.
5. The consumer will make a decision to buy the desired brand.

5. Making a purchase decision

Following the process of evaluation, comes the consumer's decision to purchase the selected alternative. The purchase decision is similar to any other decision that involves choosing from among alternatives and weighing costs and benefits. It is the result of a number of interrelated sub-decisions regarding the purchase of a specific good, of a specific nature, from a specific outlet, at a specific time, for a specific price, and with a specific payment method.(16)

The purchase decision involves a number of sub-decisions that require a great deal of time and effort. A sales outlet, for instance, might be a department store or any other place. In spite of the fact that the majority of products and services are available at department stores, many products are sold at workplaces (medical insurance), or even at home (by mail, telephone or through roaming vendors). Like the product, a sales outlet is evaluated. Potential sales outlets are listed out, then an evaluation of their characteristic features and advantages are conducted with the aim of selecting the most suitable alternative. Some of the factors

involved in the evaluation of a sales outlet include: location, rank, prices, and salesmen's conduct, etc.

As for the sales-outlets that are not available, they are evaluated according to prices, working hours, availability of products and salesmen's conduct.

Purchase conditions include price, i.e. the amount of money paid for a product or a service. The purchase process is basically spending money, or giving a promise to pay, in return for a particular product or service. Specifying the method of payment (cash, short term installments or long term installments, etc.) is a purchase condition.

The purchase decision involves risks that vary in degree according to the product and purchase conditions. The consumer seeks to reduce the possibility of risk in the decisions he takes (to the best of his knowledge). He does his best to minimize possible negative outcomes, ranging from economic loss to feeling embarrassed if the product is not effective. The risk may even involve sustaining physical injuries.

Thus, if the consumer is satisfied with the sales outlet and terms, and he evaluates the sales risk factors as affordable, he proceeds with the purchase process. If not, he postpones or cancels the purchase, even for reasons having nothing to do with the product itself.

Thus, the consumer's decision to modify, postpone or cancel the purchase decision is strongly influenced by perceived risks. Consequently, consumers cannot be entirely certain of the outcome of the purchasing process.[17]

Undoubtedly, marketing efforts provide the consumer with enough information to make his purchase decision look good, and to make him satisfied with having taken it. It is worth noting that decision-making varies within the same family. This is related to such factors as social class, place of family residence, and family size.[18]

6. Actual purchase

This phase involves finalizing the purchase. Consumers rely on well defined decision-making strategies they have frequently used before and have stored in their memories. Such strategies include selecting the brand that carries a price discount at purchase time. In other cases, consumers apply their choice strategies only at the time of purchase, relying on their previous experience, and their knowledge of the rival brands.

The nature of finalizing the purchase process is affected by many situational factors, such as: time limit; amount of available information about alternatives; the effect of the entire family's presence when shopping; and the social effects resulting from the presence of other customers inside the store. In addition, the way information is presented to consumers at sales outlets can have a great impact on consumers choices.(19)

Accordingly, decision-making and actual purchase are so integrated that the two phases can sometimes be fused into one, particularly when the purchase decision is taken on the spot at the purchase place.

Finalizing the purchase process entails other behaviors, such as subsequent purchase processes related to and complementary with the first purchase. The purchase of a PC, for instance, might be followed by the purchase of a scanner, and the purchase of a VCR may entail buying or renting video tapes. In other words, some purchase processes pave the way for others. Thus, the purchase decision-making process continues until the last item on the shopping cart.

7. Post-purchase thoughts

After making the purchase decision, and actually buying the product, the consumer conducts an evaluation of the deal. He compares the actual performance of the product (or service) with

his pre-purchase expectations. This results in a feeling of contentment and satisfaction or a feeling of discontentment and dissatisfaction.[20]

The consumer's contentment / satisfaction can be defined as the end result of the evaluation which the consumer does for the selected alternative (for the sake of which the purchase decision has been taken) after consuming or using. This concludes that the performance of the purchased item meets or outweighs pre-purchase expectations. Dissatisfaction, on the other hand, is the outcome of an evaluation process in which the consumer concludes that the performance of the purchased product is below his expectation.[21] In other words, if the actual performance of a PC, for instance, is equal to or more than the consumer's expectations, he will feel satisfied with the entire purchase process, and he will bring this satisfaction to bear in the event of any similar purchase in the future, thus increasing the possibility of repeated future purchase. Moreover, the consumer will recommend the product to others, reinforcing his confidence in the purchase decision he has made. At this stage, the consumer may be affected by the opinions of his family members or the users of the same product. [22]

If, on the other hand, the performance of the purchased product is below the consumer's expectations, he experiences a state of dissonance, and a feeling of regret and disappointment; he has made a wrong decision, and the expected aim has not been achieved, although that decision was based on the study and comparison of available alternatives. Unfortunately, this is a very common case that should be given proper attention and close follow-up by marketers to convince the consumer that he had made the right decision. [23] Lack of follow-up entails losing this customer forever together with all the customers that may seek his advice. If this happens, it will be a big loss for the marketing organization.

The state of dissonance and doubting of the purchase decision is aggravated in the following cases:

1. If the decision is highly significant psychologically or financially. Reaction in this case differs from one individual to another.
2. If the number of alternatives to choose from is exceptionally high.
3. If the selected alternative has no clear advantage over other alternatives.

The buyer normally follows one or more of the following procedures to alleviate the state of dissonance and related psychological pressure:

1. He may look for information that would support his decision. It is very common for a consumer to follow an advertisement about a product he has already bought. He feels contented every time the advertisement comes, as if he is looking for a proof confirming that his choice is good.
2. He may try to adjust his perception of available information in such a way that can support his decision and the wisdom behind it.
3. He may try to underrate the value of the other alternatives and find faults with them.
4. He may consider only the positive aspects and the advantages of his decision, while disregarding the negative ones.

A consumer may also work to alleviate the sense of dissonance through admitting the fact that he has made an irrevocable error, and he has learnt to make wiser decisions in the future. This is indeed a difficult situation for most people, and that explains why a consumer always looks for information that supports his decision. The marketer should interfere at this juncture to complete his role by providing promotion material that would assure the consumer of the appropriateness of his decision. The marketing process should not stop when the purchase process is finalized, but it should continue to establish a link between the producer and the

consumer in order to create a positive attitude that can be utilized in encouraging future purchase. This can foster consumer confidence in the product, a primary goal of the marketer. Also, realistic, unexaggerated, promotion material can alleviate post-purchase dissonance. This makes the consumer set realistic expectations regarding the product, thus bridging the gap between expectations and reality.

Post-purchase attention to the consumer, reinforcing his decision through various marketing techniques, and presenting realistic promotion of the product can alleviate post-purchase dissonance. As one marketer once said, "A satisfied customer is our best advertisement". A successful marketing administration should promote the consumer's post-purchase satisfaction, while trying to eliminate dissatisfaction as much as possible. A good measure of post-purchase satisfaction is a lower rate of returned goods, of cancelled orders, and of complaints about the product. [24]

In summary, feelings of conflict and post-purchase evaluation are basic factors that affect consumer behavior after making a purchase decision. Personal and psychological factors play a very effective role in his behavior, particularly in the purchase of expensive goods. Feelings of conflict and dissatisfaction are affected by such factors as the following:

1. The amount of money allotted to the purchase of the product.
2. The number of available alternatives.
3. Degree of affordable risk prospective consumers are willing to take.
4. The social and psychological value of the product.
5. The cost of the product compared to the consumer's income.

Some of the techniques marketers resort to in order to alleviate consumer's feelings of conflict and dissatisfaction following actual purchase include the following:

1. Conducting promotion campaigns that target consumers who have already purchased the product with the aim of fostering positive feelings toward the purchase process.
2. Adopting effective and realistic promotion techniques that respect the mentality of the consumer.
3. Avoiding exaggerated promotion of the product so as not to raise consumers' expectations beyond realistic levels that aggravate conflict. (25)

Thus, some of the main features of the purchase decision-making process include:(26)

1. The purchase decision process is not as inevitable as it seems to be because the consumer can abort this process at any stage preceding actual purchase. This can happen if his urge to purchase diminishes, or if he is not happy with any of the available alternatives. In such cases the purchase process is unexpectedly aborted.
2. Purchase processes often proceed in a traditional way, but if the consumer feels satisfied at any point, some of the stages can be skipped. For instance, he can proceed without distinguishing or evaluating alternatives. Also, purchase phases do not necessarily take the same amount of time, depending on the product value and urgency to buy it. For example, the need may arise for a product that is not really valuable, yet the evaluation of alternatives can take long.
3. Some stages of the purchase decision-making process may take place deliberately in certain cases, while subconsciously in others.

3.2 Determinants and Types of Purchase Decisions

As previouly mentioned, the consumer goes through the purchase decision-making process whenever he buys a product, taking into account whether it is a first time or a repeated purchase. The importance he gives to the purchase decision stages varies due to the factors involved. For example, he may not go through all the stages, because the available alternatives are not suitable, or he does not identify all of them, and therefore, he may decide not to buy. Although the purchase process often passes through the same steps or stages, the decision-making period is normally longer in the case of expensive products, and the ones related to the consumer's personal life or his children. In addition, the absence of information on certain practical purchase aspects may make the consumer postpone taking the purchase decision to a later date, when the required information is available.

3.2.1 Factors Interacting in Purchase Decision-Making

The factors influencing the purchase decision can be summed up into four determinants: the nature of the consumer; the nature of the product; the characteristics of producers and salespeople; and the nature of the purchase situation.(27)

1. Nature of the consumer

The consumer's purchase decision, the nature of the purchase stages through which he goes, and the time spent on each stage vary according to his socio-economic characteristics, social class, beliefs, occupation, income, learning abilities and past shopping experiences, etc.

2. Nature and characteristics of the product

The nature of the product has a direct impact on the consumer's decision. He considers such factors as need for the product, its quality, price, post-purchase services, and psychological and socio-economic benefits. Therefore, producers seek to continually add to their products new utilities and advantages, maximizing benefits, hence encouraging consumers to buy.

3. The nature and characteristics of producers and salespeople

The consumer is often influenced by the producer and salespeople, particularly at the purchase stage of product evaluation. He considers such factors as trustworthiness and reputation. For this reason, producers tend to select suitable sales outlets and provide the necessary training to salespeople in order to gain the confidence of the consumer. This secures the consumer's confidence and loyalty, leading to increased sales.

4. The nature and characteristics of the purchase situation

The circumstances surrounding the purchase situation sometimes influence the purchase decision-making process. Among them are the time available for making the purchase and the socio-economic conditions of the purchase context. For example, if the purchase time is short, the consumer will take his decision without having sufficient information, and will cut down on effort of searching for alternatives. Ultimately, the outcomes in these circumstances will be different from the ones resulting from a decision taken in normal circumstances.

Thus, the process of making a purchasing decision is greatly influenced by the characteristics of the consumer himself. For instance, age is considered one of the factors which influence the speed of the decision. Due to his lack of experience, an older consumer may not take a long time to make a decision, while a younger one is likely to take a longer time to make the same

decision. Age may also have an influence in the opposite direction. For example, the younger consumer tends to be more impulsive and, therefore, goes through the decision-making stages faster, while an older consumer is likely to be more careful.

In general, the kind of influence depends on the nature of the product desired, which fits the categories of Copeland who classifies products into special, shopping and convenient ones.[28] Buying special products (e.g., buying a house), requires careful deliberation at each decision-making stage, for the risk factor is high, and the possibility of correcting a mistake is limited. In contrast, when buying a convenient product (e.g. a magazine), the consumer may skip some steps, for the risk involved is low.

A high-income consumer will spend less time and effort on making his purchasing decisions, because he has the financial ability to buy again if he is not satisfied with the purchased product. Also, people who are naturally calm and who prefer not to take risks are likely to go through a deliberate decision-making process, while those who do not have enough time are likely to skip some steps.

Thus, purchase decision-making varies according to the nature of the product. There is a big difference between buying toothpaste or a camera and buying a car. Naturally, the more complex the decision, the more participants are involved, and the more time and deliberation are needed.

3.2.2 Types of Purchasing Behavior

It is possible to distinguish three types of purchasing behavior that correspond to three types of decision:

(a) repeated or routine solution behavior;

(b) specific / limited solution behavior; and

(c) extended solution behavior. [29]

The corresponding decisions are:

(a) routine decision;

(b) limited decision; and

(c) extended (broad) decision

These decisions are taken in the following ways:

1. Making a routine decision

The consumer makes this decision when he makes his usual, routine purchases, in which case he skips several steps in the decision-making process. For this reason, he does not need much time for shopping because he simply repeats buying the same goods and brands, and the matter becomes a simple routine for him. Given the superior experience he has with such purchases, which are usually cheap, the risk factor is often low.

The most important step in this process is becoming aware of the problem when the consumer feels that he needs a product he has never got before. Then, he takes the initiative to buy it again. As for collecting information, identifying and evaluating alternatives, and even for post-sale behavior, they all become less important steps, in comparison with their importance in the cases of limited and extended purchases. In fact, the consumer will ignore these steps as long as he is satisfied with the previous purchasing process, and he may not even realize he is going through it.

In this kind of decision, the characteristics of the consumer have very little influence. All that matters is that feeling the presence of a problem immediately leads to making a decision. For this reason, it is of utmost importance that the goods and services be made accessible. This can be done, for instance, by locating them in the best sale points, for the longest working hours, and in the most obvious displays, as well as by completing the sale as quickly as possible. Examples of this type of purchase include buying a daily newspaper and other convenient goods.

This type of buying behavior requires those responsible for marketing to work towards satisfying the anticipated needs of the target consumers for goods and services through the provision of good quality and service in the products themselves, as well as attracting new buyers of the same goods or services by presenting them with new features and advantages.[30]

It is also necessary that the prodcut be available at all possible sales outlets, for the consumer is likely to go for rival convenient alternatives, if the required brand is not available.

2. Making a limited decision

The purchasing decision becomes more complicated when the consumer is presented with unfamiliar brands or new services. In the case of such a decision, he needs to reflect, even if in a limited way, for the consumer knows the product, but not all its brands or the advantages of each.[31]

Thus, the limited decision occurs when the consumer goes through each step of the decision-making process without having to spend much time on each step. However, the limited decision takes longer than the repeated decision.

The consumer’s characteristics have less influence on limited decisions than on extended ones. Since the consumer has more experience with the product to be purchased, the risk factor will be low. The consumer’s characteristics in the limited decision have more influence than in the routine decisions, and the purchase risk is higher. However, income and purchase motives play an important role in the decision-making process. This type of decision includes such activities as buying goods and services which the consumer has already bought before, but not repeatedly. Although this decision-making process relies mainly on the customer’s past experience, which he uses to evaluate alternatives he is familiar with according to his own parameters, collecting information on such alternatives remains an important issue. For

this reason, this process takes longer than the previous one. An example of this type of decision-making is buying shopping goods, particularly for the second time or more.

3. Making an extended decision

Buying may reach a high level of complexity when the consumer is faced with products which he has never seen or learned how to use before. Then, the purchase decision becomes highly complex and represents a case which requires a much more thorough problem-solving approach so as to make the decision or not to make it.[(32)]

The extended decision occurs when the consumer follows all the steps in the decision-making process and spends enough time collecting information and evaluating alternatives prior to actual purchase. There is a high likelihood that the actual and the expected performance of the purchased product do not match to a large degree after the purchase has been made. This product category includes all kinds of special and durable goods, such as cars, jewelry, personal computers, etc., particularly if purchased for the first time, or when the customer's experience in this area is limited, which maximizes the risk factor.

In extended decision-making, the consumer can stop at any step because the process involves the purchase of sophisticated and highly priced products, which require some experience for the evaluation of alternatives. In this case, the characteristics of the customer (such as his age, level of education, income, social and marketing characteristics, etc.) have significant impact on the decision.

Therefore, it is necessary for the marketer to play a major role in following up the consumer throughout the shopping stages and to provide him with sufficient information, good personal selling and an adequate demonstration. He should not limit his role to completing the sales deal. Instead, he should extend his effort to dissipating any sense of doubt, reluctance, or even dissonance

which may follow the purchasing act. This can be done by employing various promotional strategies, including publicity and personal contact. It will assure the consumer that he has made the right decision by choosing this alternative from among available ones.

3.3 The Consumer's Decision to Adopt New Products

The study of the issue of new products is closely tied to the recent remarkable technological advances and subsequent changes in the contemporary world. Illustrative examples are the television, the telephone, the car, the plane, and current developments in services and telecommunication, e.g. fax machines, advanced personal computers and mobile telephones. All these have had a great impact on individual lifestyles, hence on culture and ways of life.

Even though culture is the total outcome of society's experiences and concepts, which have been shaped over a long period of time, it is not inflexible or unchangeable. [33] Culture changes with time, and old cultural patterns are gradually replaced by new ones, such as the recent fundamental, far-reaching changes that have been taking place in the US.[34]

In our Arab societies, there are several new cultural trends and new views on education, women's work and ways of saving and investment. These cultural changes have been brought about by such things as technological advances, and the introduction of new products.

Thus, those responsible for marketing should monitor the new trends in society, study them and consider them in their marketing strategies and plans. In the case of a leading company, the marketing team seeks to predict these trends and changes by understanding the forces and circumstances that cause them. This brings their marketing programs to the forefront in terms of adapting to the new developments and outcomes that may influence the consumer.

3.3.1 Concept of Newness

Newness is the trait that a product has to possess in order to be called "new". It is what differentiates between new products and old, familiar ones. It has always been difficult to determine a scale for newness due to people's varied perceptions of what they consider new. There are always attempts to set parameters for newness. Four bases for measuring newness can be identified:

- The first basis draws a distinction between complete newness of a product in comparison with existing products on the one hand, and sheer modernization (the modification of an existing product to make it perform a new vital function) on the other hand.
- The second basis takes the period for which the product lasts on the market as a measure for the extent to which the product is considered new.
- The third basis takes the degree of the product diffusion into the market as a measure of newness. Diffusion means the degree of market saturation with the product. The measure is the ratio of consumers who have adopted the product to the total number of target consumers. The ratio indicates that the product remains new so long as adopters do not reach 10% of the expected consumer population.
- The fourth basis uses the consumer's perception as a measure of what is considered new; for a product is considered new as long as the consumer considers it so, and vice versa.

An American study has defined a new product in the eyes of the consumer as something with which he is not already familiar. As for the product itself, the matter could involve a totally new product, new packaging, the addition of a new element or part of a familiar product, a simple redesign of the product, perhaps its introduction in a new market, or even using a new distribution method (such as electronic sales). In such studies, some

distinguish three levels of newness: (a) there is no disagreement on the product's newness, as in the case of introducing television sets for the first time; (b) the product is partly new, as in the case of introducing a steam iron; and (c) there is a limited degree of newness, such as the introduction of a television set with a remote control device.

Apparently, many organizations have begun to reduce involvement in price competition with rivals, in favor of competition through innovation. This means the improvement of existing products and the introduction of new ones in a way that reduces easy replaceability by rival alternatives, while enabling the organization to achieve profit margins and increase sales to a degree rivals cannot reach(35).

3.3.2 Diffusion

Change operations usually take place gradually, yet they can be sudden, as in the fashion industry. Society's acceptance of this change is called diffusion, which refers to "the spread of new ideas, products and applications through culture".(36)

The diffusion of new products sometimes encounters rejection and resistance from society members. Also, there may be several attempts to stop it, even if it brings about beneficial developments, as in the case of PCs currently. Such attempts continue until diffusion becomes complete; hence, the new product is said to be adopted.

The following example illustrates initial resistance to innovation. A study (37) was carried out on 100 ladies in Boston in the 1930s, in order to know their impression about instant coffee, when it was first introduced. Most of the women responded that they did not use it because it tasted different from normal coffee. They even accused women using instant coffee of being lazy, careless and unqualified to run their homes. When the study was repeated in 1968 - instant coffee had been long in the market - most of the

housewives responded that the women using it valued time, speed and effort. The change in response is attributed to the fact that instant coffee had been accepted by society during the period between both studies. In addition, the American society had gone through cultural changes during that time.

Resistance to change varies in its intensity according to the values prevailing in the society undergoing change. In some societies, diffusion of innovation is easier and less complicated. Also, the intensity of resistance varies, depending on the type of innovation.

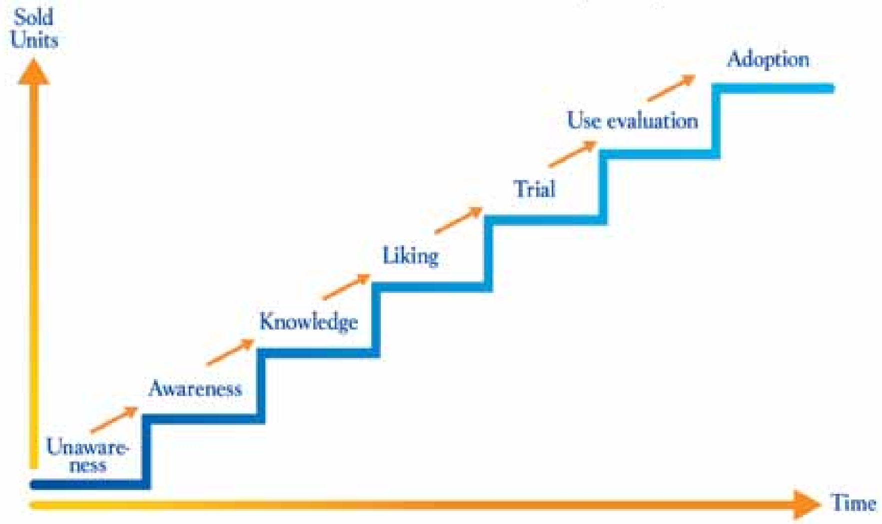
3.3.3 The Adoption Process Model

The process of adopting a new product is gradual, and it goes through a number of stages. The first stage is the perception of the innovation, as the consumer realizes that an innovation, such as a product or an idea, has been introduced in a particular area. At the second stage, that of knowledge, the consumer begins to learn something about this new product or idea, and progresses in understanding its features, strengths and weaknesses. With increased knowledge, the third stage is reached, where the consumer likes or dislikes the innovation. The nature of this feeling relies heavily on the extent to which the consumer feels that the product will fulfill his needs. At this stage, the consumer sometimes experiences, a sense of risk and uncertainty. This brings about the stage of trial and testing. The consumer attempts to test for further information. Then comes the stage of evaluating the use of the product. The more positive the evaluation results are, the more likely the adoption of the new product.

The time factor is considered of utmost importance in this process, since some consumers go through the stages very rapidly, while others take a long time. Also, some consumers may even abandon the process at one of the stages. In some cases, the consumer may skip some intermediate stages, between the perception and adoption. In this regard, personal recommendations and the skills

of the marketing and sales agents play a major role in reducing the stages and their time. Figure 4 shows the hierarchy and stages of adoption.

Figure (4)
Hierachical chart of the adoption process (38)



Consumers vary regarding the speed with which they adopt new products. While some are already within the market of a particular product, others are still outside. Marketing focuses on identifying to which group consumers belong so that marketers can provide an appropriate mix for the target group.

In general, consumers can be classified on the basis of the speed with which they adopt innovation into five categories in the following descending order:

(a) Innovators

Innovators constitute a very small minority of the market. They are those who buy a new product very early. They are distinguished by their ability to pay the high price which usually comes with new products. Their incomes are often high, and they obtain

information about innovations from newspapers and international media. They have wide connections with various parts of the world. On the psychological level, members of this category are distinguished by their tendency to risk taking and adventure, and to dealing with innovations in all domains. In addition, they are self-directed, i.e., they do not rely on others' judgements on innovations.

It may not be appropriate to focus the marketing policy on the category of innovators, because they are a small percentage of the total buying force. In addition, they are not considered a buying model that can effectively influence the purchasing behavior of the rest of society.

(b) Early adopters

Next to innovators comes the category of early adopters. It is considered the target of marketing strategies. They have some of the innovators' characteristics, such as love for change and risk taking. Yet, unlike innovators, they are more local and have a greater interest in and greater ties with their community and its grassroots. For this reason, other consumers tend to imitate them and to be influenced by their purchases. Thus, this category represents the opinion leaders for other consumers, hence their importance for marketing. This requires various marketing programs to focus on them, because, in most cases, they represent the link between marketers and the rest of consumer segments.

(c) The early majority

Under the influence of the early adopters, members of the early majority enter the new product's market. They follow the early adopters, whom they know, respect and trust. They represent a large segment of the market, and its members care about knowing what is new in the product line, but are less likely to take risks than the early majority. Therefore, they take a long time to identify alternative products and to make purchase decisions.

(d) The late majority

As the number of innovation adopters increases, the novelty of the innovation decreases. At this point, a new group enters the market, making up the late majority. These customers are more influenced by publicity than by the opinions of others. Their being late to join adopters may be explained by several factors, including their low income, old age, or lack of interest in innovation.

(e) Laggards (conservatives)

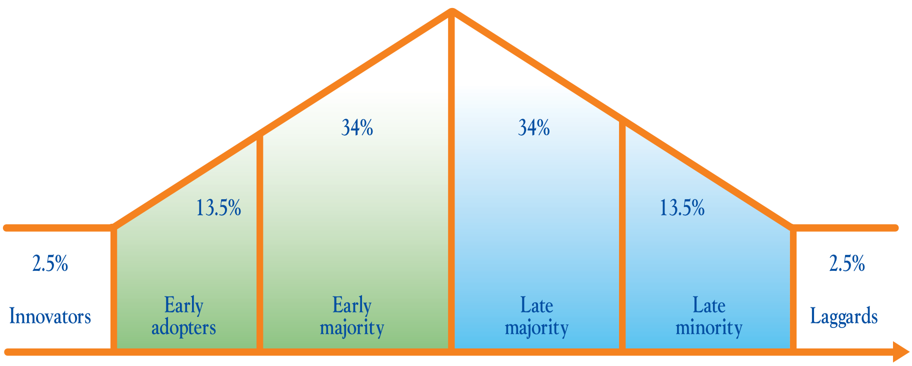
Laggards form the last category, and they are the ones who adopt a product after it has been widely accepted and when the risk factor has decreased a great deal. These customers may obtain the product at a time when innovators and opinion leaders are moving on to another product with more advantages, and taking greater risks and paying higher prices.

The classification of adopter categories is near to the normal distribution, which is bell-shaped: innovators represent a small percentage (about 2.5%); it is followed by the early adopters (13.5%); then comes the early majority (34%), matched by the late majority (34%); and finally comes a minority of laggards and conservatives (16%), which represent a category that is not keen on adopting every innovation.[39]

Figure 5 shows a diagram of the percentages of adopter categories.

Figure (5)

Percentages of adopter categories [40]



As shown in the diagram, with the exception of innovators, early adopters, and laggards/conservatives (who become interested only when the innovation grows older), the majority of consumers (68%) need some time to adopt a new product. New products vary in terms of the speed with which they are adopted by consumers. In the case of consumer goods, the speed increases. In fact, some products saturate the market, and are then totally forgotten within one week, such as song records in Western countries. Other goods may take years to be totally accepted by the target market.[41]

3.3.4 Development of the Diffusion of Innovation Model

Given the importance of this model, it is useful to shed more light on its development and mechanisms. Since the publication of Ryan's and Cross's studies in the 1940s, and the later modifications proposed by Wilkening, Leon Berger, Beal, Rogers and Bohlen in the 1950s, the model has undergone improvements and additions by large research teams, sometimes with the support of some universities and governments in several American states.

The basic reference of this model was Diffusion of Innovation, by Evertt Rogers. It was first published in 1962. It was reprinted several times, the last of which was in 1995. The model, as presented in the book, in the 1971 edition, included 114 general rules about consumer behavior towards innovative products, together with field results testing the validity of the rules. [42]

Components of the model

The model comprises the following five components:

a. Product

The speed with which the consumer adopts any new product depends on many factors that have to do with the product itself. These factors are:

- The reward that ensues from its use,

- The amount of investment in the product,
- Easy use, and
- Possibility of use on a small scale (possible trial)

The clearer the product's rewards, the more user friendly, and the smaller the investment in it, the faster it is adopted by a large number of consumers.

b. Adopter's characteristics

The consumer adopting a new product is a person or a group taking a decision to adopt it as soon as it is first launched. The larger the group, the more complex the decision to adopt a new product becomes.

c. Time

It is the time the adopting consumer takes to move from the product identification stage to the purchase decision-making stage.

d. Social system

The social system can facilitate or even hinder a new product's adoption, depending on physical and economic structures. The more in harmony the new product is with the existing social system, the faster its adoption is, and vice versa. The available communication channels within the social system may speed up or hinder the adoption process, particularly if the system has an expilcit stand towards the new product.

e. Change motivator

The motivator is usually a person who is influential in making others hasten to adopt new products. This is due to the motivator's technical knowledge as well as his outstanding social role.

Endnotes of Chapter 3

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Chapter 4

Social Factors Affecting the Purchase Decision

Chapter Topics

4.1 Culture

4.2 Social Class

4.3 Reference Group

4.4 Age

4.5 Educational Level

4.6 Gender

Social Factors Affecting the Purchase Decision

As a social being, man is greatly affected by his environment. For example, he often buys the products that enhance his image before others. This chapter analyzes a number of factors associated with the surrounding environment, and a number of demographic and personal factors associated with the consumer.

4.I. Culture

4.1.1 Definition

Culture is considered the most comprehensive external social determinant of human behavior. It can be defined as "a combination of symbols and human artifacts invented by a given society and transmitted across generations in order to determine and regulate human behavior."[(1)] Some symbols may be abstract like trends, values, language, and beliefs. Others may be concrete, such as architectural styles, tools, products, and works of art.[(2)]

It is the interaction between the individual and culture that determines human behavior. The interaction contributes to modifying and directing behavior.

With regard to the consumer, he is influenced by his culture at every shopping activity in the market. Culture determines the required criteria and regulations. It also rewards those who abide by them and penalizes those who violate them. The behavior of the consumer is, thus, nothing but the outcome of that very culture.[(3)]

From a consumption perspective, culture is considered the social heritage of the community. It includes "common characteristics, such as values, habits, traditions, beliefs, ethics, and prohibitions, which the consumer acquires."[(4)]

Culture presents a way of life that generations learn and pass on, from one to the next. It does not include instinct-driven behavior, but works out ways to satisfy instincts. Man experiences hunger; what he eats, the way he eats, and the types of meals he consumes vary in accordance with the culture to which he belongs.

In general, cultures have the following characteristics: [(5)]

a. Satisfaction of human needs and desires

The main function of culture is to satisfy man's needs, and any cultural value that does not satisfy a particular human want or desire does not often last long.

b. Learnability

A child learns the symbols of his native culture from his family members, mates, and teachers[6]. This is how culture is transmitted from one generation to another; it has a tremendous effect on the individual's behavior, including thoughts, beliefs, reactions, sensitivity to issues around him, and analysis of what affects him.

4.1.2 Culture Components

The components of culture can be material or non-material (intellectual).

Material culture

Material culture consists of tangible objects in the individual's environment, hence the name 'external culture'. They are what the individual observes, comes into physical contact with, and makes use of in his everyday activities. They provide means for artistic self-expression, such as sculptures and paintings, for self-protection, such as clothing and buildings, and for leisure activities, such as literary works and sports equipment.

Culture provides ways that enhance the performance of body-functions, such as eating and sleeping comfortably. In addition, material culture provides means for the division of labour, whereby each individual exercises a particular profession and exchanges the products he makes for products made by others. This eventually contributes to raising the community's living standards.

Intellectual culture

As a non-material component, intellectual or internal culture is

shared by the majority of a given society. It is represented by knowledge systems, such as language and science, value and belief systems, such as religion, politics and social philosophy, and codes of behavior and directives that make up the prescriptive social system. Norms are codes of behavior approved for particular situations or in the performance of certain activities. They include ways of thinking, expression of feelings, customs, conventions, and laws that facilitate cooperation and coexistence. [(7)] Directives and sanctions reinforce the code of behavior, by stressing rewards, or function as deterrents of contraventions.

4.1.3 Cultural Influence

The individual acquires a part of his personal traits and characteristics through his interaction with others. Directives and sanctions play a vital role in socialization, whereby one adapts to the existing life-pattern of the culture to which one belongs. The outcome is an individual who has learnt the code of behavior his society expects.

Cultural influences, accumulated throughout the individual's different life stages, have a strong impact on his knowledge of the world around him. They also play a tremendous role in affecting collective opinions, aspirations, and beliefs and in determining the socially acceptable goals, as well as the approved individual values and habits.

Cultural influences differ from one society to another;[(8)] what is acceptable in a given context may not necessarily be in another. Marketing management has to be aware of the cultural symbols a society tolerates and the extent to which the marketed product stands in terms of harmony with those symbols. The big failure of Nestlé Company, when it tried to market powdered milk, as an alternative to natural milk in Africa, is a case in point.

Not only does culture affect the individual's material requirements, but it also affects his ways of understanding and learning, as well as

his lifestyle and motives[9]. Therefore, cultural influence is considered to have a great deal of power. Norms of behavior are held by a particular society and are approved of by most of its members. In general, the individual's behavior and his observance of the rules and laws of a given society depend on the relative power that society enjoys. They also depend on the individuals' reliance on others to satisfy his wants; the more his social power and independence increase, the lesser control the cultural norms have on him. Human behavior is determined by the interaction of the individual and culture; this interaction adjusts the person's behavior and channels it.

Research[10]1has confirmed that the individual, who is strongly attached to the culture and the society to which he belongs, follows thoroughly its rules, principles, and behavioral patterns. To convince him to purchase a given product is easier if the product is presented as being socially acceptable, and does not engender negative reactions from other members.

As stated earlier, culture is not in a state of inertia. The following factors are related to cultural change:

a. Technological changes

b. Demographic changes

c. Changes in values

d. Inter-culture contact.[11]

4.1.4 Sub-culture

Mention can be made of what is often referred to as sub-culture, which exists in all societies. It is defined as "the culture that contains values and beliefs, and constitutes behavioral patterns for a determined group within the main culture of the whole society."[12] The sub-culture "becomes part of the main culture due to immigration or temporary work stay. Members of the sub-

culture have values, beliefs, and behavioral patterns that distinguish them from members of the main culture."[13]

A nation's cultural elements can be grouped into two basic categories, general and specific. General or main culture is shared by most members, regardless of their subdivisions. Specific culture or sub-culture is shared by a number of specific groups within a given society.[14] Members of the sub-culture embrace the values and beliefs of the general culture, while preserving their distinctive values, beliefs, and traditions.

The significance of members of a sub-culture rises for at least one of the following reasons: when members of a sub-culture represent a large section of the society; when they have their own marketplaces; when they have a distinct lifestyle or consumption rate of a particular product; when they have favourite shopping zones or show preference for an advertisement medium[15]. A sub-culture of this sort requires its own products and purchasing patterns.

The presence of sub-cultures within a given society requires that marketers be aware of the impact of the sense of belonging on consumers' behavior. Such behavior may be markedly different from that of the general culture consumer. It must be always borne in mind that consumer's ethnic background is present throughout all his decision-making stages.

4.2 Social Class

As culture is the basic concept to describe a whole society, social class-division is the basic concept that provides an analysis of society's internal organizational structure.

4.2.1 Definition

The term "social class" shows the ranking of society members on a social scale. A social class reflects the general level of its members. It defines the patterns of behavior acceptable to the members of that level. It also sets its members' lifestyle, by affecting them either directly, or through the groups they belong to.

The concept of class is reflected in society's values and institutions. Berclsone and Steiner define social classification as the ranking of society members in a gradual descending order in terms of status and prestige.(16)

It can also be defined as the division of society members hierarchically into classes or categories, with common traits distinguishing each class from others.(17) According to this definition, social class is "a group of people who share relatively the same values, interests, aspirations, and ways of life, and show somewhat similar behavioral patterns."(18)

The foregoing discussion reveals that the social class has the following characteristics:

(1) The social class is homogeneous, i.e., the circumstances of its members tend to be similar, to behave similarly, and to purchase similar products in the same way from more or less the same channels of distribution.

(2) The social class can be measured in terms of income, occupation, educational level and place and type of

housing.[19]

(3) The social class can be defined geographically, as members of the same class often tend to live in particular residential areas.

(4) Belonging to a particular social class dictates a particular pattern of consumption behavior. This makes the social class a major index for the analysis of consumer behavior.

(5) Members of different social classes have different reactions to the same marketing program, depending on the difference among classes.

Several sociologists classify society into classes, defining each class in terms of a number of common traits related to culture, income, aspirations, interests, and consumption behavior.[20]

4.2.2 Social Stratification and Consumer Behavior

There is no standard categorisation of society, and there is lack of field studies conducted in the Arab world in this domain."[21] However, there are three major social classes into which society members can be grouped. They are:[22]

a. The upper class

It includes well-established wealthy families, major entrepreneurs, the nouveaux riches, and professionals.

b. The middle class

It usually includes relatively successful businessmen and owners of medium-sized companies. At the upper part of this class are highly-educated and ambitious individuals. The lower part is made up of white-collars, i.e. office clerks, teachers, most tradesmen, technicians, and owners of small businesses. They are highly self-confident, and are willing to take risks in order to reach a higher social class.

c. The lower class

It is the class of the blue-collars. Its upper part is made up of skilled and semi-skilled laborers, as well as service personnel. The lower part includes the workers with limited skills as well the unemployed.

Income is often adopted as a criterion for defining social class, for it is considered the easiest. For example, members who have the highest income belong to the upper social class, and the lower the income, the lower the social class is. However, this criterion is not always valid, since there are many people with high incomes who cannot be classified as members of the upper social class. Some craftsmen may make more money than top administrators or intellectuals. Furthermore, consumer patterns may differ a lot among people who have the same income, but do not belong to the same social class. Two families may have a relatively similar income, but the head of one family may be more educated and has a higher social status than his counterpart(23). Thus, income cannot be adopted as the sole criterion for defining social class.

In some countries, a family's reputation and history are among the criteria that can be used for classification. Yet, the importance of this criterion is significantly reduced, due to more educational opportunities and the redistribution of wealth in many countries. Thus, a person's competence and ambition can make it possible for him to reach a social position higher than that of his parents. The class to which a family belongs no longer prevents its members from climbing the social ladder. There are however, those who prefer to remain where they are (i) because they do not want to risk the peace, stability and sense of belonging which their social class provides (ii) and because they are afraid of running the risk of reaching for a higher class where they think they may not fit.(24)

Instead of the aforementioned criteria, objective ones are currently

used in making social classifications. They include educational level, occupation, and place of residence, which are the bases of modern classification of social classes.

It is also worth stressing the importance of the social class to consumer behavior, as every class determines the social milieu of its members. They are obliged to follow the patterns of behavior and traditions of their class if they want to belong to it and if they depend on it for satisfying their various needs.

Research conducted in many countries has shown that members of the same social group tend to live together in the same area, and they communicate - as much as possible - only with the members of their social class. By so doing, they create a cultural unity and convergence in attitude and thought. Therefore, members of a given social class often express themselves in symbols reflecting their social status, as in buying particular products associated with their social status.[25] For example, they pay particular attention to having clothes and accessories bearing their designers' initials, and cars with distinct plate numbers.

Field studies conducted in industrialised countries have shown significant discrepancies in consumer behavior across social classes. Members of the upper class often consider buying furniture as a psychologically fulfilling symbol of prestige. As for members of the middle class, they are interested in functional furniture, which is expected to make their living conditions comfortable. When choosing electric products, upper-class members pay attention to brand and color, while middle-class and lower-class members pay attention to reliable performance.[26]

In general, several studies confirm social class differences in behavioral patterns with respect to a number of issues:[27]

a. Type of shop

Certain types and names of shops are frequented only by members of the upper-class, for the shops are compatible with their social

and financial status. In contrast, members of other classes tend to avoid those shops for various reasons: (i) they think they may be treated unceremoniously; (ii) they may be embarrassed due to prices they could not afford, or (iii) they feel awkward in the presence of a high-status clientele.

b. Purchasing habits and shopping style

Members of the upper-class prefer to do their shopping early or late in the day to avoid busy hours. Middle-class members tend to do their shopping during holidays and celebrations. Besides, they do not do it in a regular manner. As for lower-class members, they prefer to wait for seasonal sales.[28]

c. Types of goods and services

Members of each social class approach goods and services differently. This is obviously clear with respect to such goods as jewelry, antiques and paintings, and services such as tourist trips.

d. Media and information sources

Classes differ regarding the media and information sources. For example, they follow different media programs. With regard to printed media, upper-class members tend to read specialized journals and international papers, while those of the lower-class tend to read ordinary and art magazines, as well as romantic material. [29]

e. Response to promotion campaigns

Upper-class members tend not to take advertisements for granted. Also, they are less prone to be influenced by sales promotional activities.

f. Adoption of new products

Upper-class members tend to be more forthcoming in making use of newly launched goods and services.

g. Attitude towards prices

Attitudes towards prices vary among classes. For example, lower-class consumers do not have enough knowledge of product prices or service charges. Because they know little about product specifications, they tend to rely on the price as a quality index. As for upper-class members, they tend to rely on their past experience to weigh available prices of the products they want to buy. [30]

h. Language of communication

Class members do not share the same style of communication. They do not have the same pattern of interaction, nor do they use the same vocabulary. One study has shown that upper-class speakers tend to maintain a quiet and balanced sound-pitch and intonation pattern. They also tend to validate their decision by relying on detailed information more than their middle-class or lower-class counterparts. Low-class members are easily influenced by rumors and gossip. Upper-class rely on symbolic and idiosyncratic manners to express their goals.

Identification of social classes, their characteristics, and their percentages has a vital role in designing marketing plans and strategies. It represents an effective criterion for market segmentation. It allows for the production of goods that correspond to consumers' desires, needs and finances, relative to each and every class.[31] Classes tend to be homogenous and affect their respective members' consumption style. Each class determines various levels of social interaction, consumption rates, predictions, aspirations, and different demographic and psychological characteristics of its members.[32] Furthermore, goods and services vary in accordance with the social status they have come to symbolize, and symbols change with time.[33] The presence of electric appliances in a given household used to point to the outstanding position their owners occupy on the social scale. Now, they are common domestic equipment. When planning their

policies, marketers have to be aware of the importance of social classes. They are selling not just a good or a service, but also a social status symbol.

However, the social class remains a complex determinant of consumer behavior. This is due to difficulty of defining "class" in the first place, and the rapid changes in society. In comparison with other less complex factors, such as the income factor, reliance on social class is very costly in terms of market research. Furthermore, there are many products and shops where the social class has no significance, as in the case of convenient products and medications. There are also shopping centers that people from all social classes frequent. Thus, program designers need to define the factors that most strongly affect their product marketing. They need also to determine if market segmentation is to be based on the income factor alone or on a variety of factors representing the social class.

4.3 Reference Group

4.3.1 Definition

A reference group comprises people who affect the individual's attitudes, values, and behavior. It represents a permanent frame of reference for his behavior. The Group members internalize its values, expecting their own behavior to be consistent with its behavioral model.(34)

A reference group can be defined also as a number of individuals with common beliefs and behavioral patterns, who influence other individuals regarding consumption attitudes and decisions. Cultural and social clubs, and circles of friends on the job or at school are examples of reference groups.(35) In other words, such groups can function as a frame of reference for individuals in taking purchase decisions and shaping attitudes.

A reference group can be so big as to include the entire society, and can be so small as to include only one family. In fact, the family is considered one of the strongest groups that influence the individual's behavior. His consumption behavior is influenced by the habits, attitudes, values and opinions of the rest of the family, and it is reflected in his purchasing behavior.(36)

The reference group can be formal or non-formal. The individual may not necessarily be a member of a reference group, or have direct or indirect contact with it. The reference group may be a group he aspires to join, or it may just symbolize the type of behavior which he seeks to emulate.

4.3.2 Types of Reference Groups

In light of the aforementioned, reference groups can be classified as follows: (37)

a. Membership groups

Membership groups may be official bodies. They could be small local council representatives or large unions of medical doctors or engineers. They are often referred to as normative reference groups because they provide their members with values and norms of behavior. Members take opinion leaders as representative models of behavioral patterns and values. The family, friends, and neighbours are illustrative examples.

b. Spontaneous groups

They are the groups that people join spontaneously according to certain criteria, such as age, social status, gender, nationality, and income. Personal or other relationships hardly play any role in their grouping. The significance of this type of group derives from its influence on its members' social expectations, for they have a clear impact on the types of goods and services the members buy.

c. Aspiration groups

They are the highly motivated and inspired groups which individuals aspire to join. These groups influence the behavioral pattern of individuals aspiring to improve their social status. Their influence extends to purchasing decisions related to clothes, cars, and recreation facilities.

d. Negative groups

Negative groups provide the values and behavior that the individual does not like or respect. The individual does his utmost to dissociate himself from them, and avoids becoming one of their members.

Thus, reference groups can be organic groups to which the individual belongs and directly interacts with, e.g. the family, workmates, and schoolmates. The individual could also associate himself with a reference group with which he does not directly

interact with or belong to, e.g. football stars and artists.

4.3.3 Functions of Reference Groups

In general, reference groups have three functions:

a. The informational function

Most consumers look for sources of information in the consumption decision-making process. They target available and reliable sources. Reference groups, which the individual considers as a guiding source and a norm instigator, provide such information. The individual considers this information reliable and treats it with great trust.

b. The utilitarian function

The reference group provides for its members emotional stability, mutual respect, and interaction. The individual member endeavours to realise the group's hopes, expectations and preferences. In return, he wins the group's respect and sympathy. So, one's reference group becomes more important than other groups or individuals.

c. The value-expressive function

The value-expressive function emanates from the individual's need for affection and sense of belonging.(38) The best means to achieve that need is by adopting the group members' viewpoints and voicing them. This is, indeed, how the individual is accepted and integrated into the group.

The informational function of the reference group is reflected in the so-called "consumer advice" which the individual receives from his group. The advice, together with the information it includes, has a strong effect on consumer behavior. That information can be summarised as follows:(39)

(a) Consumption advice provided by reference groups is a source

of information more reliable than the commercials, which the consumer presumes to be at the service of the company behind the advertisement. Furthermore, consumption advice builds up information through open and friendly discussions among reference group members. These discussions consolidate consumer behavior, for when this advice is met with approval, the consumer receives from his interlocutor confirmation of his own point of view and support for his own behavior.

(b) Consumption advice is conducted in an interactive and bidirectional way, which is not the case with one-way television commercials or other advertisement media. The two-way communication provides the opportunity for the consumer to receive answers to his questions. It allows him to produce explanations and pursue matters that fall within his interest. The two-way communication is characterised by flexibility; it is open-ended, but it comes to a close if one party wants to stop discussion. The audio or visual commercial is limited in time and is not as rewarding as face-to-face discussion.

(c) The exchange of real experience contributes to the effectiveness of consumer advice. A person may obtain theoretical experience on a particular product upon watching a commercial. Such experience is supported by asking reference group members who have tried the product. If the members recommend the product, a new customer emerges as a result of trusting the practical experience of others.

4.3.4 The Consumer Social Integration Concept

The consumer social integration concept is extremely important for understanding communication behavior and consumer recommendations. Four consumer types can be identified in the consumer social integration system. They are the following:

a. The socially integrated

The socially integrated are those who achieve a high rating on opinion leadership and information search.

b. The socially independent

The socially independent are those who achieve a high degree of influencing others, but a low degree of being influenced.

Both a and b, above, make up society's opinion leaders.

c. The socially dependent

The socially dependent are those who do not achieve a high degree of influence on others, but follow other people's opinions. They could be called opinion followers.

d. The socially isolated

The socially isolated are those who neither influence nor are influenced much by people around them. These are least prone to listen to advice. It is worth mentioning that a consumer may be categorized as socially isolated for a particular range of products, and the same consumer may be classified as socially approved for another range of products.

The following figure represents consumer categories and their respective degrees of opinion leadership and information search:

Figure (6)
The Basics of Consumer Social Integration [40]

Opinion Leadership			
High	Low		Information search level
Social Independents	Social Isolates	Low	
Social Integrateds	Social Dependents	High	

Obviously, the reference group and its means of interaction are a mixed blessing for marketing. Marketers can benefit from reference groups' positive influence on consumer behavior. This can be done by directing marketing and promotional efforts to opinion leaders and to the members of ambitious reference groups, who, in turn, positively influence other consumers. Marketers show those influential individuals in advertisements as consumers of their products. For example, a sports champion or a film star can be shown in a commercial using a particular product, and getting satisfaction from it. In such an advertisement, the quality and characteristics of the consumer are emphasized more than those of the the product.[41]

However, reference group advice may have a negative effect on a particular product if negative opinions about it prevail among reference groups and influential opinion leaders. The marketer should pay attention to such negative opinions circulating among the individuals of those groups. To curtail negative opinions, the marketer should use varied marketing techniques to stress positive opinions instead.

In general, marketers need to define their target consumer. This involves identifying the reference group which he belongs to or aspires to join. By making use of the appropriate consumer group, marketers are on the right track to achieving consumer satisfaction.

Oftentimes, when a product carries a brand name, its price rises dramatically, in comparison with a similar product without the name; consumers choose brand products because they want to associate themselves with a certain aspiration group. Clothes and accessories bearing international brand names are a case in point.

4.3.5 The Bearden-Etzel Model[42].

The Bearden and Etzel's study emphasizes the influence of reference groups on consumer behavior regarding particular products. The study distinguishes between: (a) general luxury

products, (b) specific luxury products, (c) basic products for general use, and (d) basic products for special use. It investigated (i) whether reference group influence applies to a given category of products or is limited to a trademark within that category and (ii) if reference group influence varies according to whether the product is of type a, b, c, or d, above. Figure nine (7) illustrates the Bearden and Etzel's model.

Figure (7)

The Bearden-Etzel Model [43]

Reference group influence on product purchase			Reference group influence on brand choice
Strong (+)	Weak (-)		
Public Luxuries Influence: Strong for product and brand, e.g.: Cars	Public Necessities Influence: Weak for product, but strong for brand, e.g.: Basic household items, clothes and furniture	Strong (+)	
Public Luxuries Influence: Strong for product but weak for brand. Examples: Coffee and Air-conditioners	Private Necessities Influence: Weak for product and brand. Example: Canned food and detergents	Weak (-)	

Below is a summary of the model:

(a) Public luxuries

Reference group influence is great on the actual choice of public luxury products as well as their brand name. Luxury products and brand names are easily identifiable, for they are restricted to a section of people who can afford them.

(b) Private luxuries

In the case of private luxury products, reference group influence is very strong on the choice of product, but not brand. The consumer considers it important to have, for example, an air-conditioner cooling his house or place of work, regardless of brand or reference group.[44].

(c) Public necessities

The reference group does not influence the decision to purchase public necessities, but it has a strong impact on the choice of brand, for almost all consumers realize their need for them. In this case, it is the brand that clearly matters. For example, all people wear clothes, but the choice of design and brand name is influenced by the reference group. This applies to other necessities, such as most basic household electric appliances (e.g. television sets, fridges, and washing machines).

(d) Private necessities

In the case of private necessities, the reference group has no noticeable influence on the purchase decision or choice of brand, as in canned food and detergents.

It is worth mentioning that what is considered necessary in some societies may be a luxury in others. This is due to changing needs.

4.4 Age

Age plays an important role in defining a person's behavior as well as the factors that influence his behavior. The significance of those factors and their types vary according to age. Motives for purchasing products that satisfy the needs of those growing old and reaching a high social status are important. The older one is, the greater the role of the social status becomes. Old age is related also to the increase of motivation influence on human needs for comfort and boasting.[(45)]

4.4.1 The Consumer's Age Stages

Consumers' age range can be divided into three basic stages:

a. Stage one, or the youth stage
b. Stage two, or the maturity stage
c. Stage three, or the advanced stage

Compared to the above-mentioned stages, childhood and adolescence have a relatively smaller role in consumption, and are therefore overlooked. At the childhood and adolescence stages, the individual barely has any influence on other than the purchase of his personal things.

Stage one: the youth stage

The youth stage ranges from 25 to 34 years old. Members of this category tend to seek independence and self-fulfilment. Their good health and active life make them good consumers of food. They are characterized by their inclination to speed, and to the utilization of their time in what they consider appropriate. They also tend to be risk-takers and innovative. They give priority to their own interests, especially if they are bachelors. They are inclined to buy fashionable

goods and to pay more attention to labels than to product quality.

Those at the youth stage have relatively limited financial resources, and that affects their purchase decisions. They tend to be more influenced by various promotional activities, such as advertisements and personal selling.

Stage two: the maturity stage

The maturity stage ranges from 35 to 54. At this stage, the individual tends to look after his family members, and this affects his consumption behavior. Furthermore, his work position is good, due to years of experience. This enables him to enjoy a relatively high salary and to buy better quality products. He likes to exhibit before the others his very distinguished social status. He is inclined to give more importance to quality than to price and he develops a certain loyalty towards a given number of stores and markets. His experience allows him to make fast decisions.

Stage three: the advanced stage

The advanced stage includes those above the age of 55. They give more importance to personal advice than to marketing methods, such as commercials, promotion and personal selling. The individual at this stage tends to give personal advice to others, even without being asked. On the one hand, he is very much attached to his community's traditions and old ways. On the other, he is not interested in innovation or new fashions. His belongings carry a sentimental value, because they have been with him for a long time. Therefore, he tends to keep his old belongings, and trust their trademarks. In fact, he has the courage to say what he thinks about unsatisfactory products. He cares for his own comfort and interests more than for what others think of him.

These characteristics grow stronger as the individual advances in age. Despite his long experience, he tends to investigate meticulously and enquire before taking purchase decisions. He

reaches a point when it becomes difficult for him to change his attitude towards certain products and brands.

4.4.2 The Relationship between Age and Purchase Motives

A study on the relationship between age and motives for purchasing various sets of products was conducted on women in the city of Jeddah, Saudi Arabia. It reveals the following[(46)]:

There is a direct correlation between social status motives and advancing age, regarding ready-made clothes, furniture, leather goods, makeup and jewelry.

The love of acquisition motive becomes less influential as age advances. Young people have more desire for acquiring new products than older ones do, particularly regarding ready-made clothes, leather goods and electric appliances. When young, ladies are more likely to be influenced by new fashions and products. Later, the majority of them focus on the well-being of their husbands and children.

The older a lady grows, the more associated with social status and with higher quality consumer goods her boasting motives become.

As women advance in age, they seek products that give them more comfort, particularly regarding frozen and tinned food, shoes, leather goods, stationery, detergents, cleaning materials, and electric appliances.

The study also shows that preference factors for certain products are closely linked to age. As age advances, the concern with quality becomes a major reason for product preference. Second comes the brand fame, while seeking modern fashions comes third. The price factor gets less important as a major reason for preference.[(47)]

In general, the attitudes of individuals of various ages towards the product quality and shape are clearly varied, and so are their preference of sales outlets. Also, they respond differently to

advertisements. Therefore, advertisements have to be carefully designed to suit the target consumers, because the advertisement's influential elements vary according to the individual's age and reference group.

4.4.3 Market Segmentation

Market segmentation can be defined as "the classification of the market into compatible segments, each representing an autonomous marketing target." [48] This requires marketers to make a suitable marketing mix for each segment.

The market can be segmented on a number of bases, among which is the age factor, a significant demographic basis. It helps distinguish prospective buyers and their characteristics from non-buyers.

Market segmentation based on age plays a significant role in supporting marketing efforts. A clear understanding of the age stage of the target consumers helps refine the marketing goals and enhance their effectiveness.

The following are some important advantages of market segmentation[49]:

1. Market segmentation provides producers and marketers with the opportunity to avoid direct competition with major competitors. Producers and marketers can provide products that have real competitive advantages for the target market. The competitive advantage of a particular brand may lie in its design, characteristics, colour, size, or package shape.
2. Market segmentation maximizes the target consumer satisfaction. This requires defining the needs, desires, expectations, and potentials of various consumer segments of the chosen market. After being defined, they are to be met by an appropriate marketing mix.
3. Market segmentation studies provide marketing agents with a

broad framework for product distribution. The studies help marketers set up a more effective and profitable product distribution strategy, by delivering the products to final consumers at the right time, and within suitable conditions.

4. Market segmentation may affect the role of promotion. For the selection of the advertising means, it is necessary to study the behavior of consumers at different age stages (children, youth and elderly). This helps identify the ways that are most suitable and acceptable to each of the target market segments.

In brief, market segmentation studies largely contribute to identifying consumers' satisfied needs and desires and unsatisfied ones. They also enhance the development of new products, and the modification of existing ones, in order to meet changing needs, desires and tastes.

The segmentation of the whole market into sub-groups on the basis of age is simple and can be easily applied by industrial and marketing organizations. Underlying this is that consumer needs are determined according to age range. Therefore, some producers provide certain products and brands suitable for particular age ranges. For example, there are products meeting the needs and desires of children of certain ages, products associated with new university graduates, and products for elderly people.(50)

Finally, it is necessary to study the conditions the individual experiences at each age stage. Conditions, such as profession, leisure time, and family circumstances, affect his income, and subsequently his purchase decisions. (51)

4.5 Educational level

4.5.1 Impact of Education on Consumer Behavior

Education is considered one of the major factors that affect an individual's behavior, cognition and motives. It heightens his aspirations, reinforces his knowledge, and opens up new avenues for him.

Education also affects the individual's consumption behavior. It is rightly argued that an educated person tends to have more rational motives and is less impulsive in his purchase decisions.(52) He shows great interest in product quality, reliability, and potentials, but less interest in seeking attention or prestige, which he regards as secondary. Education also provides the individual with self-confidence and endows him with the power to resist superfluous social traditions. In addition, it makes the individual so unique that he does not often use particular possessions to enhance his social image.

Furthermore, a high educational level broadens the individual's knowledge and awareness of world events as well as new developments related to materials, production methods, and products. It also enables him to read articles and bulletins and obtain more information on the products that interest him.

Contact with peers at, more or less, the same level of education and culture provides the individual with an information source that makes him extensively aware of new quality products. As such an educated individual is better-informed of product details, (as constituents, properties and advantages as well as disadvantages), he will approach products with greater awareness.

In general, the educated person is more inclined to follow his peer's advice when purchasing a particular product. Yet, he hardly trusts

advertisements, and he does not have confidence in or loyalty to any product unless he, himself, checks it, or unless it is recommended by someone he personally trusts. Thus, he approaches products and brands on the basis of trial or of the information he obtains from, for example, articles and researches by people he trusts.

The following are the major advantages education has for consumers:

1. Higher education gives the consumer - in addition to the advantageous social status - self-confidence and courage, which make him express his personal opinion frankly on the products he buys. He can also reach the media more easily to express his critical views on products. In one incident, a university professor, disenchanted with the bad performance of his Buick, a prestigious car, suggested that its name, "Road Master", become "Road Disaster" instead, because of the great trouble he has had with it.[53].
2. A high educational level often brings about mobility to higher social classes. It is a determining factor in social stratification. Moving to a higher social class is reflected in the individual's behavior in general, and in his consumption behavior in particular, for the new class has its own criteria and lifestyle.
3. The educated tend to imitate advanced societies,[54] by adopting a lot of their behavior patterns. This is reflected in their lifestyle and the types of products they use.
4. Education is one of the contributing factors that guide the consumer's purchase decisions. The success of marketing policies depends on their influence on the consumer's awareness of those policies. This awareness is originally dependent on the consumer's learning abilities.
5. The educated person is often more aware of the woman's role in the family, and is therefore more inclined to get her involved

in most purchase decisions. Also, her high level of education has a strong influence on purchase decision-making. In fact, she often plays leading roles. Evidently, her education enhances her awareness, culture and knowledge, and hence utilizing her skills in family decision-making, consumption included.[55]

6. The higher the consumer's level of education, the more attention he pays to product quality and fame, and the less attention he pays to price or color.
7. Regarding the wide range of goods, the higher the consumer's level of education, the more attention he pays to the quality of food items, furniture, internal design, and household electric appliances. [56]
8. The educated individual is more inclined than the less educated to visit exhibitions and museums and attend seminars, lectures and other cultural events. Such activities contribute to his general awareness, and, in turn, to his consumption behavior.

4.6 Gender

4.6.1 Gender Consumer Characteristics

Human behavior differs according to gender. There are obvious differences between women's behavior and men's in various situations, conditions and times. With respect to consumer behavior, gender greatly influences the marketing mix strategies for most companies. For example, women are the main users of make-up items, while men are the principal users of shaving products.(57) Men's purchase motives seem to be more rational, while women's motives are considered rather impulsive. Women are said to give much importance to boasting, seeking attention, distinction, and imitation of peers, workmates or neighbours. However, these are not necessarily true in all cases.

It is often difficult to change a man's attitude towards a particular product, but it is easier with women, for they tend to be quick at adopting new things. Also men and women have different perceptions. For example, whereas men seem to concentrate on the product per se, women seem to pay attention to details, scrutinising its various aspects. This is reflected in women's shopping behavior. A woman takes long inspecting a product, identifying its advantages, and comparing them with other products. In contrast, a man who enters the same shop at the same time as the woman does will have already taken the purchase decision, paid the price, and left the store, but she will still be there. Men tend to go through the purchase decision stages more quickly than women do.

Such a trait among women shoppers takes great time and effort from salesclerks. This requires patience, persuading skills and experience on the part of the salesclerk in order to deal sucessfully with women shoppers.

In addition to being hesitant, and interested in details, women find pleasure in visiting several shops, browsing around, asking questions and getting information on new and distinct products, regardless of the purpose of shopping. Women also enjoy buying things, even if not necessary. Therefore, regardless of their education level, they can be easily influenced by advertisement and promotion efforts. They enjoy trying products they read or hear about.''[58]

It is worth mentioning that women are greatly influenced by personal advice from colleagues[59] and from those they trust, adopting their views, especially as women have a typical tendency to imitation. They are also more inclined than men to adopting new products, changes and exchanges. Women tend to bargain and discuss prices.[60] They find great pleasure in getting big discounts on displayed goods. Being aware of these traits, some salesclerks develop ways to give women customers the impression that the price was reduced just for them. In reality, the salesclerks start with a high price first, then give a 'discount', going back to the real price.

Because of their interest in discounts, women are fond of sale seasons, an excellent opportunity to buy what they want and at a 'good price'. As for men, they tend to buy larger quantities, and they do not bargain as much as women do.

Due to recent changes in Arab societies and cultures, attitudes towards women's education and work have changed. Women have such a status that their influence as purchasers has become powerful. They are now engaged in a lot of activities, professions and businesses as men are.[61] In addition to their leading role in the family, women are playing an active role in their society. They are actively communicating with the world, are aware of up-todate events, and are playing a positive part.

Endnotes of Chapter 4

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Chapter 5

Purchase Decision Interaction Within the Family

Chapter Topics

5.1 Concept of Family in the Saudi Society and Economy

5.2 Family Functions

5.3 Family Patterns

5.4 Functions of the Family Decision

5.5 Family Members' Roles in the Purchase Decision Stages

Purchase Decision Interaction Within the Family

The development and survival of business organizations essentially depend on their ability to satisfy the needs and desires of consumers. It is, therefore, necessary to keep on studying consumers' behavior and defining their changing needs and desires. This is to be carried out prior to the production process, and to continue guiding it all the time. It is necessary for marketing plans and policies.

The family is considered a social system of great importance. With regard to consumption, the family, as a unit, is as important as the individual consumer. It does a lot of buying and consuming of goods and services. For instance, it buys a great deal of durable goods. Also, family size has implications for marketing, for it affects the amount of sales as well as the design of certain goods. This makes knowledge of the family crucial for the marketing process.(1)

Accordingly, this chapter will study the family in terms of concept, types, functions, contextual behavior, and purchase decision interaction. To understand how the family takes its purchase decisions, basic concepts associated with family will be analyzed, and in particular, the roles of its members in the purchase decision stages.

5.1 Concept of Family in the Saudi Society and Economy

5.1.1 General Concept of Family

[A] Definition

The family is known to be the first human organization and the nucleus of any society. As a social institution that is as old as man, the family is based on marriage. The notion of marriage derives from human instinct, and is prescribed by legal systems.[2] It is the cornerstone of society's foundation, and is the means of holding the social structure together.

The family can be defined as a social institution or unit comprising a group of people living together, bound with basic relations, and living on a common income, as the family's common resource. The family represents the foundation basis of society and the link that keeps it coherent.

The family can be also defined as "a social unit comprising two or more persons legally united in wedlock and dwelling in one household with the possibility of having offspring". [3]

Others consider the family as a social phenomenon, as old as man. As a functional unit, it consists of a husband, a wife and children, and they are bound with blood relations and common goals. When performing its functions, the family interacts with the wider social system.

In evolutionary terms, the family is the first human community 'cell'. From a number of families was formed a large one. Together, the families made up the community. The communities, in turn, formed society, a group of individuals with a common goal and a specific end. Thus, the concept of family embodies the earliest

human gathering, forming the first community. In other words, it is the basis of reproducing and socializing the next generation. It is also the origin of cooperation as well as competition regarding the satisfaction of the needs for love, security and social status. [4]

As a new concept of family, the household refers to those individuals living together in the same residence without necessarily being blood related, e.g. students living in one house. According to this concept, a single resident represents a household. As far as marketing is concerned, these individuals represent an important purchasing power that should be targeted. In light of the household concept, Wilkie defines the family as a group of two or more individuals who are related by blood or marriage or who share residence.[5]

However defined, the family is responsible for making the economic decisions for its members. It is the consuming and spending unit in society, hence its significance for marketing research. From that perspective, let us concentrate on the concept of family as adopted by the present study, in terms of type and characteristics.

[B] Family types

Throughout his life, the individual generally associates with two types of family: birth family and marriage family.

(a) Birth Family

The birth family is where the individual is born and significantly affected. Socialization takes place through interaction within that family, where the child learns ways of living and dealing with others. When being educated by its parents, the child learns the family values and principles, which are expected to guide its behavior. In addition, the conduct of parents and relatives affects the child's behavior and conceptions of its environment. Basically, this type of family defines the child's values, beliefs and attitudes.[6]

(b) Marriage Family

The marriage family has the direct and strongest influence on the individual purchasing behavior. Therefore, marketing gives it great attention. The structure of the marriage family implies much consumption of various products. For example, the family needs a house, furniture, kitchen utilities, cleaning equipment, air-conditioners, and possibly a car. The bigger the family, the greater its demands are, hence the greater the purchases. The satisfaction of such needs necessitates dealing with several vendors.[7]

The present study focuses on the marriage family, while taking into account the impact of the birth family on consumption behavior. The individual's behavior after marriage is influenced by the values, beliefs and concepts acquired while living with the birth family. There will be further details pertaining to family structure when dealing with "Family Patterns" and "Family Life Cycle".

[C] Family characteristics

Among the various family characteristics are the following :

(1) The family is a social phenomenon basic to all societies.

(2) The family undertakes the most significant social function - social upbringing or socialization of the young. Through socialization, culture, with its customs, beliefs, etc., is passed on from one generation to another. The family is the source of norms and behavior.

(3) It is the means of satisfying man's physical, social and emotional needs.

(4) Unlike other institutions, the family has a unique way of assigning its members duties towards each other. This creates within them such a strong sense of belonging to the family that they cannot evade their obligations towards it. [8]

5.1.2 Family in the Saudi Society

As the basic unit of the social structure in Saudi Arabia, the family is the core where individuals acquire behavior patterns and other qualities like boastfulness, vaunting one's lineage and tribal belonging. These provide the individual with a sense of stability and security.

The extended family was the prevalent pattern in the Saudi society. Findings of various studies conducted on the Arabian Gulf area, including Saudi Arabia, indicated that in the period prior to oil exploration, 50% of families dwelled in the same vicinity, and were blood-related. This rate came down to 37% in the mid- seventies due to the tendency towards moving to cities and the separation of the offspring from parents to live independently.

The Saudi society consists basically of three segments, Bedouin, rural and urban. This is reflected in family characteristics. Rural and Bedouin families are both complex and extended, due to widespread polygamy. As for the urban family, it is a nuclear one.

Whereas there is a decline in the rate of polygamy and multiplicity of offspring (as an indication of power) in urban areas, rural and Bedouin communities still retain the same family pattern that once prevailed, as part of their social heritage. However, polygamy and multiplicity of offspring is apparently declining gradually in rural and Bedouin areas due to changing conditions, e.g. migration of Bedouin and village youth to cities for employment opportunities; contact with neighboring and foreign communities; modern economic patterns; and the government's assuming of security responsiblities throughout the country.

Despite the presence of large numbers of Bedouins and rural migrants in cities, the urban family is predominantly nuclear (husband, wife and children). Until recently, the extended family was the most predominant pattern in the city. It underwent some changes due to changes in family relationship. This is attributed to

changing family functions, and great urbanization.[9]

The Saudi community is moving towards the city family pattern at the expense of the Bedouin and rural ones, as a result of migration to cities. While the Kingdom's population growth rate is around 3.7% per year, Riyadh's population grows at a rate of 8%. In addition, Bedouins and villagers are inclined to imitate urban living patterns, since their children, relatives and friends migrate and live in cities.

The cultural change and its resultant socio-economic development in Saudi Arabia have contributed in various ways to changing the traditional family pattern, giving way to a modern one. This is typical of societies undergoing socio-economic changes, which entail structural and functional changes in the family. In the case of the Saudi society, the discovery of oil and the subsequent cultural and socio-economic changes have had long-term impact on the structure and functions of the Saudi family.

The following are the most important family changes: [10]

(1) Family structure change

Various studies conducted on the Saudi family show tendencies towards the small family pattern and towards providing children with education and social care.

(2) Emergence of marriage-based relationship

The family pattern based on blood relationship is giving way to the marriage-based pattern. This is due to migration from rural to urban areas, and the spread of non-relative marriages.

(3) Urbanization influence

The discovery of oil and industrialization, particularly in urban areas, have contributed to the increase of migration from Bedouin and rural areas to the city and the formation of several industrial complexes. These, in turn, have triggered major social changes,

particularly in the family pattern. The extended family is declining, while the nuclear family pattern is gradually on the rise.

(4) Independent family residence

Saudi Arabian cities have been recently witnessing huge construction developments. Residential complexes comprising small units are replacing the separate house accommodating one large family. Also, on getting married, male adults are increasingly inclined to separate from their families.

(5) Expatriate manpower influence

Evidently, contact with foreign communities and the existence of expatriate manpower in the Kingdom have greatly impacted the family structure and functions. Their employment in homes, e.g. housemaids and governesses, has added a new dimension to the social relations inside the family, due to difference in languages, customs, beliefs and even religions. Research reveals that they have had long-term effects on the behavior of children, who acquire alien cultural patterns and habits. The employment of housemaids and governesses in homes of non-working mothers is explained in terms of indicating the employer's prestigious social status.

(6) Obstructive family values

Like other societies where social changes are taking place rapidly, the Saudi society encounters conflict of values between generations, the old and the new, due to the differences in experiences. Initially, the old generation is stronger, because of its cultural heritage and dominant values, customs and traditions, which can be obstacles to change.

5.2 Family Functions

The family has several functions, which vary from society to society. In general, it has four basic functions common to most societies:[11]

(1) Economic Function

(2) Emotional Support

(3) Providing Proper Livelihood and Lifestyle

(4) Socialization of Family Members

Each of the above functions will be discussed below.

(1) Economic Function

Nowadays, the assignment of roles and responsibilities among family members regarding financial support has changed in many societies. The traditional role of the father, as the family's source of income, and that of the mother, as a housewife taking care of the children, are no longer functional in maintaining a proper economic standard for the family. A high percentage of wives now hold jobs outside the home in order to contribute to family income, while many husbands participate in performing household tasks and taking care of children. For example, the husband in the Jordanian family is responsible for managing his family economic affairs, as he provides whatever the family needs, in the form of financial monthly allocations. In collaboration with the husband and grown-up sons, the wife allocates finances to the necessary spending aspects as dictated by priorities. The employment opportunities offered to the Jordanian wives has allowed them to contribute to family spending, particularly in the middle and low classes, due to the rising number of the two classes, and the increasing difficulties and social obligations.[12]

Thus, the nature of financial support for the family has radically

changed in the last few years. The financial roles played by husbands and wives have markedly changed in the Arab Region - including the Saudi society. A large percentage of married and single working women have joined the labour force and significantly impacted the consumer purchase decision-making process in the family.[(13)]13 However, this attitude is still relatively confined to medium-income families.

(2) Emotional Support

The family provides social care and support to its members. This function is important for achieving their psychological stability, and healthy social relationships. This can be done in a variety of ways, the most important of which are participation and debate that help the individual overcome problems. If the family fails to perform this function properly, the psychological and social stability of its members will not be achieved.[(14)]14

Thus, the family plays a vital role in providing its members with necessary moral support. This helps them overcome the personal and social problems facing them at successive stages of growth. No wonder, the absence of such support in some families creates a lot of psychological problems, affecting their personalities, and posssibly leading to delinquency.[(15)]15

(3) Providing Proper Livelihood and Lifestyle

The family, particularly parents, instill in the children living patterns and lifestyles through dealing with and directing them, and providing them with life experiences and aspirations, individual and collective. The family impact remains with the offspring, even after marriage, with respect to, for example, beliefs, attitudes, hobbies, aspirations, personal interests, recreational activities and places.[(16)]16

Evidently, the lifestyle of a family influences its financial obligations, and is influenced by them. For example, the family lifestyle determines its living standard, which, in turn, determines

its consumption patterns. These patterns determine the family's financial obligations. Finally, family resources influence both its financial obligations and lifestyle.

For example, a middle class family may hold views that make it aspire to adopt a higher-class living standard. This family's consumption patterns will definitely differ from those of its middle class counterparts that do not adopt the lifestyle of a higher class. The adoption of more ambitious consumer patterns on the part of the family will affect its financial obligations as a result of involvement in some extraordinary activities like club membership, purchase of a PC and some software for domestic use, or traveling abroad for tourism.

On the other hand, the family may decide to reduce some unnecessary expenditure once it finds its financial obligations too high to balance its resources. This will definitely entail giving up some activities characteristic of higher-class segments, such as traveling abroad for tourism or taking renowned club membership. Accordingly, increase in financial obligations could lead the family to change its lifestyle to 'make ends meet'. [17]

Adoption of a specific family lifestyle or pattern could extend to include time allocation, and consumption patterns. For example, the employment of a woman will inevitably affect the time she allocates to household duties and increase her demand for household commodities and fast-food restaurants.[18] Moreover, the working woman is more inclined to retain economic and practical appliances that make her life easier.[19]

(4) Socialization of Family Members

Human behavior is generally determined according to the interaction between the individual and his cultural environment. The interaction defines the frame of reference for the individual's behavior, or modifies and redirects behavior. Therefore, socialization in this regard requires that parents set a good example in all culture related

activities since children often learn through perception and imitation of the behavioral patterns they encounter.[20]

Socialization of children is considered one of the family's basic functions. It involves encouraging them to acquire the values and behavior norms of their society. This, in turn, implies personality development, change in dressing habits, ethics, job selection, etc. Such social skills could be acquired either directly through parental guidance, or indirectly through observing the conduct of parents and adults.

Socialization is related to consumer behavior. Through the process of socialization, children acquire skills, knowledge and attitudes that help them behave like consumers. Many studies indicate that children acquire consumer skills from their parents at the early stage of life since they take their parents as a model of consumer behavior.

Consumer socialization is also used by parents to modify the behavior of their children. They reward their children financially when they behave well and deprive them of some necessities if they misbehave. Also, parents pass consumer behavior to their children when they accompany them to the market for shopping, and when they assign them the duty of selecting and buying some materials, particularly those of interest to them. In this way, they teach their children the fundamentals of shopping and the ability to select from among various alternatives on the basis of economic considerations. In addition, they teach them to behave and think realistically and not to aspire to things beyond their financial capabilities, and to be ready to set a system of priorities in which less important desires are sacrificed for the sake of more important ones.

As for consumer socialization, it comprises two main aspects.

The first aspect includes consumer related elements like skills, knowledge, and attitudes towards prices and brands. The second

aspect is not directly related to consumption, and it includes such aspects as feelings towards some commodities associated with a particular age stage, e.g. an adolescent's feelings when buying shaving razors for the first time. Though both aspects are considered important, researchers give more attention to the second aspect, for it helps interpret and forecast consumer behavior.

Finally, behavior socialization is not limited to childhood, but it is a life-long process. For example, the early days of a newly wed couple constitute a socialization process of the new family because of the changes that take place in the consumption patterns of the couple.(21)

In general, marketers design all marketing promotional incentives associated with the brands of goods or service in a way that best affects the attitudes of family members believed to be influential in the purchase decision process.(22)

5.3 Family Patterns

In studying consumer behavior, it is important to consider family type and characteristics since they have significant impact on the marketing strategies of business organizations. The family type affects its demographic, social and economic features and consequently influences its purchasing power, and the types and quality of products.

5.3.1 Family Types

The term "family" is used to describe and qualify various social groups. The following are the most important types:

(1) The nuclear family

The nuclear family consists of a father, a mother and children, who are living in one house. It represents the basis of family life,[23] and this applies to all cultures. The nuclear family is sometimes called the "simple family"; it is the foundation of complex families.[24] Individuals normally experience two nuclear families in their lifetime. One is the birth family, in which they were born, and it is known as the guiding family. Through it, they acquire the fundamental social values and concepts. The other type is the marriage family, for which the individual leaves his original family. In this new family, concepts already acquired from the original family are maintained, while new ones are acquired as a result of the new partnership.[25]

(2) The compound or complex family

This type of family prevails in communities where polygamy is legal, e.g. in Islamic as well as some eastern societies. A complex family consists of a father, his wives and children. This implies that it is a group of simple families forming a kind of union due to the

presence of a common member, i.e. the father.

(3) The extended family

The extended family includes, in addition to a nuclear family, some blood relatives, such as grandparents or uncles.[26] "Extended" means that the family includes members of several generations, which, in turn, include a number of simple families. This is not due to polygamy, but to the existence of several families, belonging to sons and grandsons that are living within one context. Consequently, one individual can belong to two families, in each of which he plays a specific role and performs a distinctive function. For example, a boy is a son in his father's family; he is a husband and father in his own nuclear family, which he forms by marriage. This is different from the compound family, where belonging to two families does not entail any change in role or function. The husband is the husband of all his wives, and is the father of all his children from his wives.[27]

(4) The nest family

The nest family comprises a husband and a wife.[28] It is the early kind of family after marriage and before having children. It also includes the couple whose children have separated, forming a new family by marriage.

In Western countries, "the family" refers to the nuclear or direct family, whereas the extended family is a feature of developing countries. In addition, family size influences the desired size of house, furniture and other items. It is administratively easy to transfer the father of a small family from one place to another locally or nationally, but it is difficult in the case of a big family. So, the effect of financial incentives in the case of big families is different from the case of small ones. The incentives are more effective when given to a small family. Family size also plays a significant role in determining the member to be entrusted with making the family's purchase decision. [29]

5.3.2 Findings of a Study on Saudi Family Characteristics

The following are the findings of a study conducted in Riyadh showing that fundamental differences exist between nuclear and extended families: (30)

1. Family type

The nuclear family constitutes two thirds of the sample size (69%), and the extended one constitutes one third (31%).

2. Education

The level of education of a nuclear family is higher than that of the extended family.

3. Working women

The percentage of working women is higher in the nuclear family than in the extended one.

4. Father's income

The father's average income is higher in the nuclear family than in the extended one.

5. House ownership

Nuclear families mostly live in apartments, whereas the majority of extended families live in villas or single buildings.

6. Age

- **Father's age**

The father's age category (31-50 years old) is high in the nuclear family, but the percentage of those below 31 and over 50 is high in the extended family.

- **Mother's age**

The mother's age is inversely related in the nuclear family category, whereas the percentage of those below 31 is high, but it is positively related in the Extended family.

- **Percentage of elders**

The percentage of elders is lower in the nuclear family than in the extended one.

7. Average number of children

The average number of children is lower in the nuclear family compared to the extended one.

8. Ratio of retired members:

The ratio of retired members is lower in nuclear families compared to extended ones.(31)

5.3.3 Basic Stages of the Family Life Cycle

Managers attach much importance to the family life cycle because of the direct and strong impact its stages have on the family's consuming and purchasing behavior. Therefore, the marketing plan should be based on full perception of the nature, characteristics and needs of the target market at each stage.

In general, the family undergoes five basic stages as follows:(32)

First: Bachelorhood

At this stage, the consumer starts his life alone with a limited income. However, he does not assume any family obligations, so, his remaining net income is relatively high. The bachelor consumer spends part of his income on purchasing a car, basic furniture - if he lives away from his family - a lot of clothes and dining at restaurants. In addition, he spends a large amount of his earnings

on journeys and recreational services.

Second: New marriage

This stage is considered one the most financially demanding stage for the groom, particularly in the Saudi society. Gifts and financial donations by friends on the wedding day might reduce this financial burden. In the course of time the couple's financial state improves, particularly when the wife has a job. She spends a large part of her earnings on cars, clothes, journeys and other recreational activities. Typical of this stage is the highest rate of purchases, especially of durable items, compared to other family types. In addition, newly wed couples are mostly and promptly influenced by advertisements.

Third: Complete marital home stage

It is marked by the existence of the couple and children in the family and can be classified into three sub-phases as follows:

1. The first phase is characterized by the birth of the first child in the family.
2. The second phase starts when the youngest child is six years old.
3. The third phase is when children join the university.

Let us deal with each of the above stages in some detail:

(1) The first phase of complete marital home

It starts with the arrival of the first child. This may cause the mother to leave her job. Consequently, the family income will decrease, and new consumer problems will arise, calling for a change in the expenditure pattern. This stage continues until the youngest child reaches school age. At this stage, great care is given to furnishing the children's rooms and obtaining new electric appliances if not bought before, and many other things for house

cleaning and maintenance purposes. Also, there is a growing demand for natural and processed infant milk, for drugs and for toys. The family is likely to think of buying a large car to accommodate the new family size. In these conditions, family savings decrease significantly due to the sums spent on the above items. Facing such pressing financial needs, the parents are likely to get worried.

(2) The second phase of the full marital home:

In this phase the youngest child should be six years of age, and all children will have joined school. The father's income is likely to rise, and the mother will have gone back to work. As a result, the family's financial position will improve, influencing the family consumption pattern, particularly regarding children's demands. For example, there will be increased purchases of foodstuff and cleaning materials, in addition to bicycles, electronic games and PCs.

(3) The third phase of the full marital home

In this phase, the eldest child will have joined the university. Also, the family's financial position will have been improving as a result of the increase in both parents' income and possible part-time employment of adults. The family will replace the old furniture, buy a new car and some electric appliances and spend a lot on children, particularly in education and dental care.

Fourth: Empty marital home:

The most common feature of this phase is the children's independence for reasons related to finance, new residence, marriage or employment. This phase can be divided into two sub-phases:

First sub-phase

The children move to another home, and parents continue their

employment. The family will be satisfied about its financial position and savings: parents work and children live separately in terms of spending and dwelling. The parents often make some changes and improvements at home, buy more property and spend a large part of their income on holidays, journeys and recreation.

Second sub-phase:

It starts with the father's retirement, and hence, both parents suffer a significant drop in income. Most spending is done on medical care as a result of getting older.

Fifth: Living husband stage

In this stage, one of the couple remains alive after the other's death. If the husband is still living and is holding his job, he will suffer no financial problems, yet medical care expenses will remain on his monthly budget. The rest of his expenses will be allocated to recreation, work travel, gifts for his grandchildren and donations to charities. On retirement, he is expected to experience a significant income drop, and to cut down unnecessary expenses. If the wife is the surviving member, and she holds no job, she will lead a decent life, having reasonable savings. She will be usually surrounded by her children, grandchildren, relatives and friends, giving her moral and financial support.

Evidently, the Saudi society differs from western societies regarding the fourth and fifth stages. In the Saudi case, sons and daughters, or some of them, often insist on taking care of their parents. This makes a bigger family, including parents, children and grandchildren.

5.3.3 Implications of the Family Life Cycle for Marketing

The following are findings of research on the evaluation of the role of the family life cycle in marketing:[33]

(1) The family life cycle combines various important variables in one parameter: age, income, marital status and family size.

(2) Because of the availability of the family size, income, and member jobs data available through the Census Department, marketing managers can readily use the family life cycle model to forecast the consumer patterns of families and individuals.

(3) The life cycle's various stages are measurable. It is possible to determine, with a very high degree of accuracy, the number of families at each stage after having collected relevant data.

(4) The cycle's main stages and sub-stages are so varied that it is possible to divide the whole market into distinctive segments in a scientific way.

(5) Promotional messages can be sent through media to families at every stage.

Results of studies conducted on the family life style generally indicate the following:(34)

(1) There is a relationship between the family life cycle and family spending on energy, leisure time, services and food.

(2) The family life cycle is a better indicator than father's age alone for forecasting expenditure on food, durable items, housing and family holidays.

(3) There is a relationship between sports and recreational activities and the family life cycle. Individuals do a lot of sports and recreational activities in the stages of bachelorhood and new marriage. During the parenthood stage, parents devote a larger part of their time to children at the expense of these activities.

(4) Changes that occur in the family like divorce, retirement, the death of one parent or the arrival of a new member often

results in spontaneous changes in the family's preference for brands.

Finally, given the family as the basic unit of society, and as an important segment from the marketing point of view, its life cycle is an important typical analytical tool for marketing studies and plans.

5.4 Functions of the Family Decision

Family decisions have distinctive features, depending on the factors governing the process of decision-making on economic or social matters, etc. Since the family decision outcome is a behavior based on selecting specific variables to solve particular problems, the relevant solution selection requires specific guiding variables to help decision makers reach limited options or alternatives. Family decisions are tools that help achieve the family's assigned functions as an existing social system. Accordingly, the family decision functions are determined on the basis of the family functions in society. Family decisions have four main functions:[35]

(1) Pattern Maintenance and Tension Handling

The function of pattern maintenance involves taking family decisions to preserve family values and reinforce dedication to these values among its members, and to deal with the tensions facing them. The family does that together with other institutions, such as education and the media, which contribute to the spread of values that help preserve the pattern. The preservation function encounters the problem of reconciling the family's social norms and any member's personal demands that may arise from belonging to some group. These demands may also arise from the multiple roles a family member has in society. For example, association with a particular club or group can result in the violation of social norms.

(2) Integration

The integration function means taking family decisions with the aim of defining and allocating each member's rights and duties. This involves the definition and assignment of such responsibilities as authority and finance. The decisions are meant to ensure

coordination and understanding among family members.

The integration function derives from the unity of criteria (social values and norms) that guide the behavior of family members. Religious values and teachings are the most salient features that unite family members. In the case of Saudi Arabia, Islam is the religion from which values and norms are derived. Islamic values and norms are a guide to all aspects of daily life, and they are emphasized in the mass media and schools. In other words, Islamic teachings are the frame of reference for decision-making, including family decision-making.

(3) Goal Achievement

This function involves taking family decisions systematically in order to provide family members with social and material resources for the achievement of specific quality objectives sought by the family.

The family needs to define its goals and the means to achieving them, as embodied in the family decision-making process. This is to be carried out by the concerned family members who strive to achieve the family interests and goals through their decisions. For example, a father may decide to send his children to a private school because it teaches foreign languages. Also, the parents may decide to save for building a new house to satisfy their needs.

(4) Adjustment

Adjustment is an important function in all social contexts, the family included. It helps in coping with the changes inside and outside the family context.

This function is concerned with the family decisions for the acquisition of resources that can be utilized in meeting family demands. It includes such decisions as providing the wife with the opportunity to work. This enables her to earn an income, which can help satisfy her family's wants.

Adjustment also takes place through marriage and reproduction, providing society with members to replace lost ones. It can also be achieved through the work of family members inside or outside the family context. They can make use of the surrounding resources to satisfy their needs, such as food, drinks and housing.

5.5 Family Members' Roles in the Purchase Decision Stages

It is a typical goal of an organization's management to identify the decision-making unit in the family, the roles of its various members and their impact on the purchasing process.

5.5.1 Roles in the Purchase Process

Five roles can be identified for the individual in the purchase process as well as consumption as follows:

1. Taking the purchase initiative

The father, mother or children may be the initiative taker, depending on the nature of the product to be bought, be it a car, washing machine or clothes. The purchase initiative taker is the individual who proposes the purchase of a specific product, as in the following possibilities:[36]

- The son may be the initiative taker in buying a recorder.
- The husband may be the initiative taker in buying a car.
- The wife may be the initiative taker in buying a dish washer.

2. Influencing the purchase decision

This is done by the person who influences the purchase decision process. His influence varies according to factors involved, e.g. the nature and characteristics of the product, and the decision-making stage. The influential member in this regard motivates or recommends the purchase or non-purchase of a particular item, as in the case of the son who tries to persuade his father to buy a specific car [37] or a PC for family use.

3. Taking the purchase decision

This is done by the person who takes the final decision to buy the product or the brand in particular. The parents often share the decision-making authority. This depends on such factors as the nature and importance of the product, and the financial and moral authority each parent has within the family. When making a final decision, as a whole or in parts, the purchase decision maker has to answer to all or some of the following questions:[(38)]

Will the product be bought or not?

What will be bought?

Will it be paid for in cash or installments?

When will it be bought?

From which sales outlet will it be bought?

4. Actual buying

This is done by the person who is directly involved in the act of buying the selected product. His role is limited to carrying out the decision already made, regardless of whether he has participated in decision-making or not. He is merely a tool that implements the decision made by the purchase decision taker.

The findings of a study [(39)] conducted in Riyadh indicate that the husband in the Saudi family plays the main role in purchasing foodstuff. He does the buying in 76% of the cases, whereas the wife does it in 4%. The two parents share doing the buying in 12% of the cases. The whole family does the buying in 5%, and the housemaids in 3% of the cases.

5- Product use / Consumption

This role is done by the person or persons who use or consume the product. For example, in the case of purchasing household appliances, for example a refrigerator, all family members will be

the end users. In the case of clothes, each individual member is the end user of his own items. The end user may be the purchaser and decision-maker. For example, one person takes the decision to buy toothpaste, and then he does the buying and the consuming too. Also, the buyer may be different from the decision-maker and from the consumer, as in buying durable goods, which are to be used by more than one family member. Consider the following scenario:

- One of the children may propose the purchase of a PC.
- Another child may persuade his parents to buy it.
- The father, mother or both may decide to buy a specific brand / from a specific vendor.
- The father may do the actual buying.
- The PC will be used by all family members.

The understanding and analysis of the above-mentioned roles help marketers design the most effective marketing programs and promotion campaigns for individuals and for the purchasing process. As mentioned earlier, success demands that the role and influence of each family member regarding the purchase process be defined. Although one family member may play all or some of the roles in the purchase process, the most significant role is that played by the decision maker. Taking the purchase decision is considered the major role, on which other roles depend. It is worth the significance that marketing attaches to the consumer. In fact, it is the focus of all marketing activities.

5.5.2 Influence of Husband and Wife on Purchase Decision-Making

Researchers on consumer behavior have given attention to the study of the influence of the husband and the wife on the purchase decision process. In this regard, four alternatives are identified, as follows: [40]

1. Decisions mostly made by the husband

In this case, the husband and the wife can play many roles each, but it is the husband that is the final decision maker. This applies to such decisions as buying clothes for the husband, buying a car and saving or making investments.

2. Decisions mostly made by the wife

The husband and the wife play several roles each, depending on the type of product. Yet, it is the wife who takes the final decision, as in buying clothes for the husband and children and buying food.

3. Common decisions

In this case, both the husband and the wife share making the purchase decision. In other words, they negotiate the purchase terms, such as the product type, price, vendor, method of delivery, etc. Good examples of these decisions are those concerned with travelling abroad for vacation and purchase of durable household appliances. After negotiation comes agreement between them.

4. Individual decisions

This type of decision provides freedom for each in making the purchase decisions independently, as in buying sweets or light tools for home use.

5.5.3 Factors Related to the Influence of Husband and Wife on Purchase Decision-Making

The influence of husband and wife in the purchase decision process depends on several factors. The following are some of them:

(a) Product type

The relative impact of both husband and wife on the purchase decision process is somehow dependent on the type of product. For example, car purchases have always been the responsibility of the

husband. So, he has more influence than the wife regarding gathering information on new cars, technical details, service and maintenance aspects and finalizing the deal.

The wife used to be responsible for taking purchase decisions related to food, children's clothes, bedclothes and medicine.Today, the husband has begun sharing such decisions more than before. The wife, too, has a bigger role now in choosing the pharmacy to buy medicine from. There are some products the purchase decision of which is not completely in the hands of either spouse.

According to one study,[41] the Saudi wife plays an important role in defining the family's basic food needs. She may do that on her own or with the rest of the family. The husband plays a big role in defining the family's non-basic food needs.

(b) The couple's attitudes towards roles

Families adopting couple equity tend to make the purchase decision on an equal footing as much as possible. Consultation between them is greater, while dispute is minimal.

The family philosophy regarding the role of each spouse in financial and purchase decision-making is the outcome of a number of factors, which can be summed up in the following:

- **The couple's education level**

Published studies on the Saudi market indicate that a high level of education leads to the wife's increased participation in making purchase decisions. Also, the higher the Saudi father's education is, the more significant the wife's role in defining the family's food needs, and the more the couple do the purchasing together.

- **The couple's values**

Fundamental values vary from one society to another. Studies conducted on the consumers in developed and developing countries confirm that the roles played by men and women in

purchase decision-making is related to the values they acquire from their society. For example, in Anglo-Saxon American families, common decisions prevail. In Mexican American families, the husband takes most of the purchase decisions. Also, husbands in developing countries largely take more independent decisions than their counterparts in developed countries.

- **Family religion**

The religion a family embraces greatly affects the purchase decision maker's personality. For example, fathers of pious Catholic families are said to have more influence than their wives on purchase decision-making. Also, husbands in Jewish and non-pious families let their wives take part in decision-making. In Islam, husbands are entrusted with the affairs of their families, including purchase decision-making, and wives can give advice and opinions within a context of mutual affection. Since consultation among Muslims is a command from Allah, it must be more deserving between husband and wife.

(c) Wife's employment

The wife's employment has changed her traditional role in the family. Her role has become so different that it is not easy to predict which family member will buy a particular product. Undoubtedly, the employment, high educational level and increased income of Saudi women reinforce their participation in family decision-making. This does not necessarily mean the complete disappearance of the traditional roles of husband and wife. It indicates the increasing influence of women on decision-making.

According to the findings of a study on Saudi working women,[42] personal motives behind their employment appear stronger than material ones. The Saudi woman basically seeks to prove herself and achieve social prestige. Also, the higher her personal motives, the higher her education is. Her decision to work is not only meant

to occupy her leisure time, but to make good use of her education.

The above findings emphasize the modern Saudi woman's desire to participate more in making family purchase decisions. Therefore, marketing managers should conduct studies regularly on how spouses allocate purchase responsibilities nowadays. The findings of another study on Saudi families show significant increase in wives' participation in making family purchase decisions. The findings include: (43)

- The Saudi housewife has a significant impact on making purchase decisions related to all the products the family needs. The children's influence on buying convenience products varies according to type, and it is almost lacking in the case of the durable goods.
- Today, the husband plays a significant role in selecting the brands of household appliances, including the food products, which used to be the housewife's responsibility.

Finally, the available data indicate that the couple's participation in purchase decision-making varies according to the decision process phase and type of product.

The roles played by the members of the modern Saudi family have undergone remarkable change over the past years. This is attributed to many factors. Girls' education rate is growing. The number of working wives is multiplying. In fact, some of them now have their own private companies. As women's contribution to the family financial obligations has increased, their participation in purchase decision-making has increased. In addition, the promotional message has changed, and is now addressing both husband and wife.

Findings of studies conducted on Saudi families confirm the above conclusions and indicate that some changes have recently occurred in the roles of men and women in the purchase decision-making process.

5.5.4 Related Research Findings on Roles of Family Members

The author of this book has conducted a study on the relative contribution of the Saudi family members to the decision-making of buying personal computers. Table (8) shows the study findings.

Table (8)
Percentages showing the role of each family member in the purchase stages

Role	All %	Father-Mother %	Father %	Mother %	Children %
The first one who thought of buying the device	19	3	35	16	27
The one who gathered information about the device	19	2	59	10	10
The one who offered alternatives to choose from	17	2	56	12	13
The one who chose the time to buy the device	13	3	58	16	10
The one who chose the brand	17	2	58	10	13
The one who chose the features of the device	18	2	55	11	14
The one who chose the store	14	2	67	8	9
The one who chose the payment option (cash/installments)	8	2	72	11	7
The one who made the final purchase decision	9	2	64	15	10
The one who paid for the device	7	3	79	8	4
The one who uses the device intensively	33	4	29	10	25
The one who actually bought the device	13	3	73	6	5
Average percentage of total role	15.5	2.5	58.75	11	12.25

According to the findings, the father's role in all the buying stages is overwhelmingly dominant. It greatly surpasses the combined roles of the other family members in all the stages, with only limited exceptions. In no less than 55% of the cases, and sometimes reaching up to 80%, it is the father who does the following: collects information; proposes alternatives; chooses the buying time, brand, features, store and means of payment; makes the buying decision; pays the price; and actually does the buying.

This role goes down to 30% only in two situations: showing the need for the device and using it intensively. In these situations, other relatively important players, such as the children, mother or the whole family, gain some prominence in decision-making.

The prominent role of the father may be due to the social and psychological role he plays in the Saudi family, whether in terms of how he sees himself as the family leader, or how the family members themselves see him as a leader. This central role of the father may have an impact on his dominant behavior.

The Table also shows that the mother's participation has always been limited, except for showing the need for the device. In fact, she rarely takes joint decisions with the father - their joint role is not more than 2% to 3%.

As for the children's role, it is clear at the stages of creating the need for the device and using it intensively, as individuals or as participants in the family. This role for the children is predictable since they generally do not interfere in the technological or economic aspect of the decision, except within the limits of creating the need for the device and satisfying it through its use.

The father's dominance over making purchase decisions in most Saudi families that own PCs may be due to - in addition to what is previously mentioned - the following reasons:

a. The father is still the main financial provider for the family - the families with working mothers represent only 28% of the study sample.

b. Given his educational, professional and social profile, the father is more exposed to the use of computers than the mother and the children. This makes his interest, and subsequently his role, more prominent.

c. The mother may be more interested in the home

management devices - e.g. the washing machine, vacuum cleaner, oven, mixer, and even television and video sets - than in devices with complex professional, technological and scientific dimensions, such as PCs, which are not in her domain of interest.

d. The Saudi male remains at the center of most family purchase decisions, especially those that require the collection of information from male-dominated markets, as in the case of cars, real estate, garden equipment, paints, medical devices, and computers. As for the female, it is easier for her to intervene in decisions that require relevant information from markets frequented by females. This is obvious in the case of clothes, perfumes, supermarket products, furniture and home appliances, and this is what has been confirmed by a field study of the Saudi market.(44)

It is necessary to highlight the relative weight of the husband and wife in the decision to buy a PC. The study shows that there is an obvious behavior bias for the Saudi husband, against the wife in making the decision to purchase a PC.

However, relevant literature on the same topic in the US shows that the wife's work outside the home does not necessarily result in relieving her of any household chores(45). It also shows that equality of authority between husband and wife is not true. Though she may gain some power from the husband, but not enough to make her equal.

Other studies show that in 33% of the cases the husband dominates the buying decisions in American families of Mexican origin. His role rises to 54% when buying a car. As for families of Anglo-Saxon origin, the whole family participates in the car buying decision in 66% of the cases. However, in both family types, collective decisions are taken when buying furniture, home appliances, housing, insurance, and the annual holiday.(46)

In brief, these results indicate the different roles played by the family members in terms of their relative participation in the purchase decision. The father's role is prominent, whereas the children's roles are limited, and the mother's is weak.

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Chapter 6

Psychological Factors Affecting the Purchase Decision

Chapter Topics

Psychological Factors Affecting the Purchase Decision

Many studies in the field of behavioral sciences have dealt with the internal factors that shape human behavior. With respect to the consumer, specialized studies have extensively covered the factors pertaining to purchasing behavior. They show that the individual's purchasing choices are influenced by a number of psychological factors.

This chapter will deal with the following psychological factors: (1) motives; (2) learning; (3) perception; and (4) personality. They are frequently used by researchers and marketing personnel in the field, when describing, explaining and predicting consumer behavior.

6.1 Motives

Identifying motives of behavior is considered the first step in the analysis of human behavior in general. Motives pinpoint the underlying causes of behavior. There are various definitions of the term "motive". The following are some of them:

6.1.1 Definition

The motive is generally defined as "the internal energy that drives a person to behave in a certain way in order to achieve a certain objective."[1] It is the internal power that stimulates the person's needs and desires that he has to satisfy by acting in a certain way. In relation to the consumer, motives are defined as "the internal forces that make the consumer act in a purposeful way."[2]

Motives are sometimes defined as "the individual's internal needs, wants and instincts, which drive him consciously or unconsciously." Being internal, they differ from incentives, which are considered external stimuli. Incentives "refer to the rewards that the individual expects as a result of doing his job." They can be material or non-material rewards, normally in the form of increased authority or promotion.[3]

In his theory on motives of behavior, Freud maintains that "every human behavior has a motive, conscious or unconscious, and therefore, has a purpose to reach."[4]

Thus, the motive is considered the hidden force which initiates behavior, provides it with energy, reinforcement, and directs or even stops it. It is also considered the link between the need and response, i.e. the need and the behavior of the consumer. This implies that marketers have to identify consumers' motives and understand their motivational behavior and responses to motivation.[5] As a driving force, the motive attempts to reduce

certain tension and reach the state of balance, which the individual seeks in all daily activities. The human nervous system does not endure the tension arising from feeling that the actual satisfaction is less than the desired satisfaction. Therefore, the system spontaneously seeks to get rid of all types of tension, physiological or psychological, resulting from unsatisfied needs.

Thus, such tension acts as a motive that drives the individual in the direction of need satisfaction. Once satisfaction occurs, the state of tension is removed and is replaced by a state of ease. In that sense, the motive is considered a system of tension arising from the movement of the individual in a certain direction in order to remove tension and achieve satisfaction.(6) For example, hunger is some kind of tension in the human body due to lack of necessary nutrition, and it represents a motive for searching for food in order to reduce tension and reach a state of balance.

As the founder of the modern school of human psychology, Abraham Maslow (7) has put forward a theory of motivation based on needs, arranged into his well known hierarchy of needs. The following are its basic assumptions:

1. Human needs are numerous and varied.
2. The motive results from an unsatisfied need. Once satisfied, the need does not create a motive.
3. Needs have an ascending hierarchical system, whereby the human being does not feel the needs at the second level until the first level needs are satisfied. This applies to all the five hierarchical levels.
4. Social circumstances tend to obstruct the fulfillment of a lot of human needs. Such unfulfilled needs remain a major motivation of behavior.
5. The environment is considered an extremely crucial factor in identifying which needs are effective for the individual at a

certain time. For example, in the technologically and socially advanced countries, physiological and security needs are satisfied to a great extent. There, social needs and the needs for recognition and self realization are the prime movers of human behavior.(8)

Maslow's Hierarchy of Needs

Figure (9), below, represents a hierarchy of needs put forward by Maslow.(9)

Figure (9)
Maslow's Hierarchy of Needs



According to Maslow's Hierarchy of Needs(10), the first level represents the physiological aspects of life's basic needs, such as home, clothing and food. Therefore, when hungry, the individual will focus on nothing but hunger. Once hunger is satisfied, the motive of hunger satisfaction ceases to be the individual's main aim, and then emerges another motive, namely, security need. When the individual feels insecure, his attention is not directed to satisfying other needs, such as his social status. For instance, when people buy anti-burglary alarms, they do not mean to satisfy the need for social prestige. So, it would be unwise to promote the alarms, claiming that they achieve some kind of social prestige.

The third level of needs represents the need for belonging, which results from surrounding social pressure. Therefore, marketers

should not neglect linking their marketing programs to the individuals or groups whose behavior the public approves and seeks to imitate.

The fourth level in the hierarchy represents the needs for recognition and achievement of a social status. By satisfying these needs, the individual gains a sense of competency and self-confidence. If they are not satisfied, he feels useless and worthless. It may be claimed that the need for a social status is not that important. The fact of the matter is that the satisfaction of the first three levels of need is necessarily followed by the desire to attain social prestige, which emerges as a strong social motive for buying a lot of products and services. However, social prestige differs in definition from culture to culture and from market to market. This demands that marketers do their utmost to identify indicators of social status for a particular public or market.

Reaching the top level of needs, self realization, means that the individual has already achieved a lot throughout his life: enjoys a high level of respect and recognition; relies on his achievements; is known, loved and valued by others; and may have reached a good state of security, protection and health. Even though the majority of people do not often attain self realization, many believe or are convinced they have reached it. This level, as Maslow believes, cannot be completely attained, for the individual becomes driven by abstract values, such as beauty, justice and truth. In addition, the individual's aspirations for self-realization have no limits.

However, real life shows more flexibility than Maslow's Hierarchy; the individual seeks to fulfill needs at various levels simultaneously. It would be practically impossible to have rigid levels of needs, and rarely would an individual ever wait till all his needs at one level are satisfied in order to move to the next one.[11]

Maslow's Hierarchy has not been taken for granted. It has been a controversial topic in behaviorist psychology. Yet, it has provided a recognized view with considerable importance for studying

consumer motives. Its principles can be significantly applied in adapting new products to consumers' basic needs. In addition, it can be utilized in designing compatible promotional activities and advertisements.[12]

6.1.2 The Motive's Basic Components

There are two basic components for a motive: (a) energy and (b) direction. Energy implies that all types of behavior, whether action, thinking, etc., require the individual to expend a portion of his internal energy. Direction is necessary for guiding energy towards productive acts, i.e. making behavior effective.

In studying the energy component, researchers use physiological measures, such as pulse rate, blood pressure and brain waves in order to measure the response of consumers to varied incentives, such as marketing activities.[13]

Among the factors of the energy component is emotion, which the individual realizes through his feelings and thoughts. A lot of the emotion a person feels motivates him to behave in a certain way, and his behavior consumes energy. For example, a person's fear of something may motivate him to act so as to avoid it.

Due to its effectiveness, emotion plays an important role regarding the consumer, and subsequently for the marketer, who intends to use it to direct consumers towards his products. For example, insurance companies make use of man's fear of what the future may have in store for him. By selling various insurance policies, they attempt to offer their clients a feeling of security and safety in the face of possible dangers.

As for the direction component, it refers to what the individual chooses from among the available behaviors and acts. The chosen behavior is determined by its own purpose, and hence the name 'purposeful behavior'. Thus, it can be understood why a particular behavior takes a particular direction.

6.1.3 Motive Functions

The following are three functions of motives:

1. Activating behavior. It is an internal state resulting from an imbalance and need for a particular thing or expectation.
2. Directing behavior. Motives direct the individual's behavior towards a specific target that is defined and reinforced.
3. Stabilizing Behavior. By reinforcing a particular behavior, the motive can stabilize it.(14)

6.1.4 Categories of Consumer Motives (15)

Categories of consumption motives vary due to the varied parameters of classification. The following are four major categories.

6.1.4.1 Physiological /Biological and Psychological Motives

[A] Physiological / Biological Motives

They result from biological needs, such as those for oxygen, food and sleep. They are determined by the body, yet they are affected by specific social and cultural conditions. Each type of food has nutritional value for the body, but the choice of type depends on social considerations and individual taste. Not all types of food are acceptable in all societies, nor are they compatible with all tastes.

[B] Psychological Motives

They result from the needs created by the individual's social context. They start in childhood, as the child feels the need for its parents. The older it grows, the more aware it becomes of surroundings, and the greater the needs it develops for success and acquisition of knowledge necessary for social prestige.

6.1.4.2 Rational and Emotional Motives

[A] Rational Motives

They include the purchase reasons related to the expected material performance of the product. They rely on logic and reason rather than emotions. Price, effectiveness and reliability of the product are examples of rational motives, which are typical of purchasing industrial products.

Rational motives are evident in the following cases:

- The consumer establishes product priorities after having investigated the importance of each product and its potential to bring about the desired satisfaction.
- The consumer selects the brand after having compared the advantages and disadvantages of available brands.
- The consumer chooses a potential store to buy from after having compared the advantages and disadvantages of several stores.

[B] Emotional Motives

They are the reasons related to psychological and social aims of the purchasing process. They are not subject to logical reasoning. Instead, they follow a particular emotion, such as love for appearances and boasting. However, some argue that buying things for the purpose of boasting is not necessarily an emotional decision, but a rational one, for it aims at satisfying one's need for recognition and respect.

Emotional motives are evident in the following cases:

- The consumer determines product priorities without rational investigation or consideration of his financial state. He is only imitating his neighbors or acquaintances, or expressing love for appearances and boasting.

- The consumer selects the brand or model without comparing available alternatives. He chooses it only because he likes its shape, appearance or color.
- The consumer deals with any shop without investigation of its advantages and disadvantages in comparison with other shops.

Thus, if based on investigation and analysis of available alternatives, the consumer's behavior is considered rational. If not, i.e. if based only on impulse, it is considered emotional.

However, the consumer may establish product priorities rationally while selecting the model on an emotional basis. Such behavior is the result of a mixture of rational and emotional motives. Emotional motives, as some studies suggest, are associated mostly with women's purchasing behavior, whereas rational motives mostly with men's. This finding is not true for all men and women. There are women whose behavior is predominantly rational, and there are men whose behavior is predominantly emotional.

The following factors are said to contribute to the rational and emotional classification of motives:

- the consumer's level of income in general, men or women;
- the consumer's level of education; and
- the material value of the product to be bought.

6.4.1.3 Primary, Selective and Patronage Motives

[A] Primary Motives

They drive the consumer to buy a particular product or set of products regardless of brand or shop. If the consumer does that, his motive is said to be primary. For example, a family feels the need for a car, and the head of the family decides to buy one without determining type or make. In this case, the decision is the

result of primary purchasing motives, such as economy in fuel consumption and availability of spare parts.

[B] Selective Motives

They make the consumer select a particular type or brand that satisfies his basic needs. The type or brand may possess certain advantages, such as popularity, size and price. In general, selective motives follow primary ones. Therefore, marketing efforts should target those with primary motives for purchasing a particular product, while giving preference to the selection of a particular type or brand rather than another.

[C] Patronage Motives

Patronage motives drive the consumer to choose a particular store or shopping center to buy from. His choice is based on certain qualities characteristic of that store. Such qualities include reputation, good service, reasonable prices, suitable sale conditions and the availability of a wide range of goods. Therefore, businesses normally seek to establish a particular image in the consumer's mind regarding their reputation, and quality of service as well as unique sale incentives. Among the incentives are a wide range of selections, good prices and additional services, such as home delivery and post-sale maintenance.

6.4.1.4 Conscious and Unconscious Motives

Some motives of behavior are obvious, whereas others are not, and are, therefore, difficult to identify. In terms of their awareness of their purchase motives, consumers are classified into the following three sets.

(A) The first set includes the consumers who are aware of their purchase motives and express them clearly. It is easy for marketers to define the motives of that set, and consequently can deal with them easily. However, the consumer cannot

define the relative importance of each motive, and, therefore, cannot define which one has more influence on his purchasing decision.

(B) The second set includes the consumers who are aware of their purchase motives, but they do not admit them. They give unreal excuses and analyses for their purchasing behavior. By so doing, consumers mean to hide their real motives, believing that the motives are not acceptable to others. They may also believe that they reveal personal traits that should preferably be hidden. For example, price is an important factor to most consumers. Yet, that type of consumer feels somewhat shy when dealing with money matters. For example, if asked, he may give a motive other than price as the most important one in determining his choice of product. He often tends to "rationalize" some emotional motives that drive him to a particular behavior, thinking they are socially unacceptable, or will show him different from what he likes to be seen. In general, each individual seeks to give rational justifications for his behavior.

(C) The third set contains the consumers who do not know their real motives for buying; the motives are in their subconscious, and they are not aware of them. For example, when buying clothes, the consumer may be aware that the material quality is good, the price is suitable and people will admire them. Yet, he may not be aware that he is buying the clothes to imitate others or look distinct.

The second and third sets represent a problem for market researchers concerned with defining the real motives of buying. It is not possible to know the consumers' real motives by asking them. On the one hand, the consumer may be aware of his motives, but tends to hide them, or give other motives. On the other hand, he may not be aware of the motives at all.

Thus, the importance of motive-related research lies in attempting to identify why the consumer behaves in a certain way. In other words, they "are concerned with identifying real reasons or motives underlying the consumer's behavior."[16]

Motive-related research has several names. It is popularly known as psychological consumer research. It is also called intensive interview research, as it makes use of in-depth interviews. It is defined as the study of the relationship between the consumer's personality and the product's traits. In fact, some view motive-related research as the use of the investigative techniques of psychology, seeking insight into the human psyche in order to identify consumers' motives. Among the several techniques it uses are intensive interviews and sentence completion.

However, unlike psychology, motive-related research does not aim at any psychoanalysis or treatment of the consumer. It aims at identifying the motives of consumer behavior and exploring direct and indirect means by which the marketer can control, change or modify the motives, using modern marketing methods. For instance, through motive-related research, the researcher may identify the consumer's favorite color of a product. Then, marketing management can make use of only that piece of information in decision-making, without having to look deeper into causes of the consumer's choice of that particular color. In addition, motive-related research does not seek to identify a particular consumer's motives, but to gather information on the behavior motives of groups of consumers.[17]

In general, motives are determined by internal or external stimuli. Underlying the motive can be a need the consumer himself feels, e.g. hunger. The stimulus can be external, and it is known as the incentive, where conditions outside the consumer create a motive within him for something. The advertisement is an example of such

conditions - this will be dealt with in detail later. When the motive is reflected on a particular behavior, the latter is determined partially by external conditions and partially by internal conditions.

Also, each individual consumer has a unique mixture of motives, which influence his purchasing behavior in a variety of ways in various situations. The consumer may not know which of his motives has had the strongest influence on the purchase decision. An influential motive in one situation may have less influence, as it is replaced by another. Sometimes, one motive can be satisfied by varied behaviors, and various motives can lead to one type of behavior.

Motive-related research benefits the development of realistic ideas for promotion campaigns, by approaching the consumer's consciousness and stimulating latent needs positively. It can also contribute to the modification or development of a new product brand, through the feedback from consumers towards ideas for new brands, or innovative designs for visual advertisements and printed matter. Done prior to making the new product and launching its promotional campaign, such activities help avoid possible costly mistakes. In addition, research provides practical implications and parameters for quantitative marketing studies that can be conducted on larger samples representative of the target market.(18)

The reasons behind buying a PC can be grouped in two categories: (a) internal motives related to the family making the purchase decision; (b) external motives, incentives provided by PC marketers to persuade the decision-maker to buy such "an important" product. Table (10) shows means reflecting the importance of the reasons for purchasing a PC in general.

Table (10)
Means showing the importance of the reasons behind buying a PC in general

Reasons	Mean
Quality	4.67
Features of the device	4.63
Price	4.53
Post-sale Services	4.45
Balancing desires of all family members	4.05
Popularity of brand	4.03
Sale terms	3.87
Sales agent style	3.80
Place of purchase	3.77
Gifts and discounts	3.65
Advertisements	3.21

As shown in Table (10), when the sample members, including those who owned a computer and those who did not, were asked about the reasons for buying home computers, it became clear once again that quality and price were the two factors that prompted buying among a large majority. Then, there were the factors of post-sale service as well as balancing the wishes of the family members relative to the features required in the device. As for other factors, such as the place of purchase, the terms of sale and the sales agent's style, they were next, although they were still important for some. Regarding purchasing incentives, including advertisments, gifts and discounts, they were at the bottom of the list, even though they too were important factors in the purchasing operation.

The above results should lead home computer marketers to know those consumers' motives, and to design a set of appropriate marketing strategies to persuade them to buy. First among these strategies would be a strategy for product development, pricing,

competition, post-sale services, and the information that helps to make a good choice. It is also necessary to design programs of marketing communication with the clients through these incentives in a way that guarantees positive interaction between consumers and marketers.

6.2 Learning

All consumer behavior comprises the responses the individual acquires through learning. He acquires knowledge of available types of products and their brand names and prices by experience. A lot of his ideas, beliefs and views are the result of learning. He may learn from family and friends, academic institutions or the social context at large, including all types of media.

6.2.1 Definition

Learning can be defined as "the process of changing the individual's responses as a result of experience or training." This definition does not apply to temporary changes in responses to temporary stimuli, such as the effect of medications. Learning is concerned with long-term changes. In that sense, learning refers to the change in behavior as a result of previous experiences in similar situations. [19]

Learning is also defined as "all the procedures by which current patterns of behavior are changed and new ones are developed." [20]

From the marketing point of view, learning can be defined as "all the regular and systematic procedures and processes - intentional as well as unintentional - of providing the individual with the knowledge and information he needs for buying something available now or in the future." This definition implies that learning takes place through stages or processes, and involves continuity and change. Also, learning can be intentional or accidental, and it can occur through reflection, observation and practical experience. [21]

6.2.2 Learning Concepts

The following two views of learning represent different schools of

thought. One considers learning as knowledge, and the other considers it as behavior. Let us examine each view in brief.

6.2.2.1 Learning as knowledge

This view focuses on the consumer's internal characteristics rather than on his behavior, and on knowledge as the measure of learning. It is also concerned with the internal processes taking place within the consumer's mind and emotions and leading to knowing or learning. Obviously, this assumes learning to result from reflection on and assessment of problems and insight. It requires the human mind and skills to concentrate on the logical analysis of alternatives, then take the necessary decisions in various circumstances and situations.[22] A marketing implication for this view is assuming that the consumer will go for the product on the basis of his previous level of satisfaction and on the basis of his knowledge that the product is the best in comparison with others.

A number of approaches follow that view, such as those based on the studies of Kohler, a Gestalt psychologist. [23] The following are some of those approaches.

(A) The problem-solving approach

According to this approach, every situation the individual encounters represents a problem that needs to be solved. Problem-solving is an intellectual operation starting with problem definition, followed by gathering relevant information for understanding it, then suggesting a number of alternative solutions, from which the most suitable one is chosen, to be finally tested for effectiveness. This intellectual pattern is similar to the practical steps of purchase decision-making described earlier.

(B) The experience approach

It maintains that when faced with a problem, the first thing the individual draws on is the relevant experience stored in his memory. This means that his behavior towards any situation is but

a reflection of his past experience. Accordingly, if the consumer's previous experience of a particular brand is negative, e.g. his previous PC was not of the desired quality, it will affect his current purchase decisions; he is likely to avoid the same brand. Not only the negative experiences, but also the positive ones play a part in determining current and future direction of the consumer's behavior.

(C) The contextual pressure approach

According to this approach, the behavior of the individual is the end product of all the pressures on him at one particular point. The pressures on one person vary from time to time. They also vary from one person to another. The pressures can be economic, social, environmental, etc. They include a person's hopes, aspirations and desires. All those pressures affect his behavior, which changes when they do. This means that a particular stimulus does not necessarily bring about the same response at all times. Responses vary according to the strength or weakness of the various pressures on the individual at that particular point. [24] For example, an advertisement on air conditioners is likely to have a greater response from the same viewers during the summer time than the winter time. This is attributed to the change in pressures on the viewer, i.e. the change in weather conditions.

6.2.2.2 Learning as behavior

This view focuses on the stimulus and the response, and considers learning as associations between them. It does not consider situations or internal mental factors to have great effect on learning. The following are two approaches adopting that view: (a) the stimulus-response approach; and (b) the reward-punishment approach.

(A) The stimulus-response approach

This is based on the experiments conducted by the Russian

physiologist Ivan Pavlov. It maintains that learning occurs when the individual is exposed to a particular stimulus and responds to it. If the stimulus is repeated, the response is repeated too, as there is a connection between them. Developing his pioneering experiments, Pavlov tried to generalize their underlying concepts, emphasizing the relationship between behavior and the nervous system. Other researchers tried to apply that learning approach to human behavior. Analysis reveals that this approach has four main elements:

1. An internal driving force ranging from a physiological need to a good social position or reputation.
2. A stimulus originating from the external environment and affecting the individual's response to the driving force, such as advertisements.
3. Response to the stimuli coming from the external environment.
4. Reinforcement of positive responses, leading, in turn, to repeating the response or behavior if the stimulus is repeated, resulting in habit formation.

Marketers can benefit from the stimulus-response approach in a variety of ways. For example, attention should be focused on strong external stimuli.[(25)] As the approach emphasizes repetition and stimulus-response proximity in space and time [(26)], advertisements of a particular product should be put where it is being sold. Also, the advertisement's desired benefit can be realized if the product is available while the advertisement is on.

(B) The instrumentalist approach

This approach is based on the research findings of B. F. Skinner[(27)], the behaviorist psychologist, who observed that the behavior of an organism depended generally on its results in terms of reward or punishment. If a particular behavior is rewarded, it will stay on and

grow strong till it becomes a habit. Similarly, if the behavior results in punishment, it will eventually stop. In other words, behavior reinforcement, positive or negative, is the major factor in determining its growth or extinction. The reward is either material or non-material.(28) For example, if the consumer responds to a particular stimulus (an advertisement), but the product he buys turns out to be not as good as expected, he feels dissatisfied and unsettled. In this case, learning is negative. Learning also occurs if the same right response is given to the same stimulus.

Stimulus-Response-Related Concepts

Related to the stimulus-response approach are the following concepts:

1. Motive. It is a strong internal need or tension that drives the individual to perform a particular act, as when one feels hot weather.
2. Stimulus. It is an external incentive in the organism's context, and it determines the type of response and how and where behavior occurs, as in the case of advertising electric fans or air conditioners.
3. Response. It is the reaction to the connection between the motive and the stimulus, as in the case of acting towards buying an air conditioner in response to an advertisement so as to satisfy the need for getting rid of heat.
4. Reinforcement. It is what occurs if the result is satisfactory and right. For example, if the air conditioner is satisfactory, works efficiently and its quality is high, the consumer is likely to prefer it to other brands in future purchases, or recommend it to others. Reinforcement is said to have occurred when the satisfactory response is repeated in reaction to the stimulus, i.e., when the association occurs between the stimulus and the

response.[29] This is related to the concept of brand loyalty.

6.2.3 Brand loyalty

Repeated reinforcement creates consumer loyalty to the brand that has achieved a satisfactory response to a particular stimulus. Therefore, the concept of brand loyalty is essential for the learning process because of its advantages for both consumers and marketers. On the one hand, it saves the consumer's decision-making time, by helping him bypass some steps and move straight from feeling needs to actual purchasing. Also, due to pervious experience with brand, loyalty minimizes possible post-purchase feeling of dissatisfaction or dissonance. In addition, while avoiding risks of trying new alternatives, it saves the time and effort the consumer would have spent on choosing from among a large number of brands.

On the other hand, the marketer is guaranteed a strong base of loyal consumers. This greatly enhances marketing his brand, while making it difficult for his consumers to go for competitive brands. This means that marketers of competitive brands will have to make substantial efforts and spend a great deal if they want to win those consumers.

However, brand loyalty is a mixed blessing. Regarding the consumer, it can deny him the opportunity of better or cheaper alternatives. There is also the risk of missing the advantages of alternative brands. Regarding the marketer, loyalty to a particular brand denies competitors the opportunity to increase their share in the market and to attract consumers away from that brand.[30]

Brand loyalty has various forms, among which are the following:

1. Emotional loyalty. It is attachment to the product quality in terms of uniqueness and potential remembrance and the pressures it exerts on the consumer. All these drive him to try the product. Marketers try to build good reputation for their

brands and improve their image through regular revision of their market position.

2. Name loyalty. It represents loyalty to a particular name that is associated with consumers' respect and that becomes part of them, as in the case of loyalty to National appliances. This type of loyalty protects the brand from attack, yet it needs management wise enough to control long-term expansion.
3. Distinctive Quality Loyalty. It reflects the link between consumer loyalty and the perceived value of certain distinctive qualities of the product. Easy learning and use are examples of this type of loyalty. Therefore, the only way to win customers' future loyalty is to make them try the product.
4. Association loyalty. It results from the consumer's feeling that keeping buying particular products gives him additional advantages he cannot get from buying varied products. This is common in the case of convenience products and services, and in the relationship between wholesale and retail dealers. However, this type of loyalty can be easily grabbed by competitors.
5. Cost-return loyalty. According to it, the consumer will remain loyal to the brand so long as the cost of choosing another alternative does not have a suitable return. An example of this type of loyalty is that to a particular type of bank or computer. In this case, it is easy for competitors to attract consumers so long as there are sets of policies to facilitate buying and reduce the costs of brand transfer.
6. Long-term familiarity loyalty. It is the result of the accumulative stability of the name or components of a particular product for a long time as a result of familiarity with use. Examples are the cola brands (Pepsi-cola and Coca-cola), certain types of soap, industrial detergents and home electrical appliances. Regular promotional efforts have a direct impact on fixing loyalty.

7. Comfort loyalty. It derives from making the purchase convenient and comfortable for consumers. Examples of this type are making products available at places near consumers, and distributing them through the telephone. This type of loyalty can be destroyed if competitors increase sales-outlets and raise the standard of their services. [31]

6.3 Perception

The way the consumer perceives things affects his decisions. It starts with the perception of an encountered problem or situation, and concludes with the perception of how successful he is in choosing the potential solution. To understand the role perception plays in determining consumer behavior, marketers have to know the following: characteristics and secondary operations of perception; the factors affecting consumer perceptions; and the factors leading to changing them. [(32)]

6.3.1 Definition

A person is said to have perceived something if he translates and transfers it from the external physical world to the internal mental one. In other words, he gives the stimulus he gets through his five senses a meaning based on his previous experience.

Perception is defined as "the feeling, selection and interpretation of the stimulus which the consumer receives from the external world." [(33)] It is also defined as "the process of organizing, and comprehending the information and sales incentives received through the five senses." [(34)]

From a marketing point of view, perception is considered the process of forming mental impressions in response to a particular object within the background knowledge of the consumer, who gives a lot of meaning to what he sees and observes. The meaning he gives depend on his personal experience, beliefs and memory.

6.3.2 Perception Factors

Perception depends on two factors: stimulus characteristics and consumer characteristics.

(A) Stimulus characteristics

They include material characteristics of the stimulus, such as size, color and movement. In this regard, marketers are concerned with identifying which of the product characteristics attracts the consumer's attention more. Since marketers can control the characteristics that help perception, their job is to reinforce it.

(B) Consumer characteristics

They refer to the workings of the consumer's physical and cognitive system on the perceived stimulus and on how it is perceived. The perception of one particular thing differs from person to person, for a person's beliefs, thoughts and impressions come from his background and experience with the thing itself. Also, perception varies in terms of clarity and complexity. Some people's impression of something may not be clear, while others' may be clearer. People can be compared in terms of the number, accuracy and complexity of their perception dimensions. [35]

It can be said that consumer characteristics differ from one person to another, and they include several factors, such as experience, needs memory, personality, health, intelligence and observation. All these characteristics interact with those of the material stimulus, resulting in perception. For example, on watching a TV advertisement, the consumer receives with his own eyes and ears the visual and audio material waves from the TV set. Then, they are sent to the brain, which uses memory in interpreting the images, words and music in order to perceive and know their meanings.

The perceived meanings may be different from the actual stimulus characteristics. Receiving images and sounds represents sensing, the first step of perception. The interpretation of the sensation by the brain with memory's help represents the second and essential step. Interpretation adds new meanings derived from the individual's own background and experience.

Thus, perception comprises sensing and interpreting. Sensing includes the physiological and nervous operations, by means of which information goes to the perceptive system via the five senses. As for interpreting, it involves mental operations of registering, classifying, analyzing and interpreting information in order to form meanings, concepts and impressions; these may differ from reality, and they result in a behavioral response. For example, some consumers may consider a particular shop to be distinct and better than other shops, whereas other consumers consider it ordinary. A third set of people may consider it very bad. Thus, even though the same shop is the object being received through the consumers' senses, each consumer perceives it in his own way under the influence of his particular needs, motives, educational and cultural background and previous experience. [36]

6.3.3 Sense Perception

The relationship between sensing and interpreting, as described above, is known in psychology as sense perception. It has three elements, which can be summed up as follows:

1. Selective perception

According to it, consumers perceive stimuli around them in such a selective way that suits their needs, views and previous experiences as well as their demographic and psychological characteristics. Selective perception, thus, explains why two individuals or more differ in their perception of one stimulus.

2. Sense perception organization

Most consumers encounter tens of stimuli in one day. This makes the consumer organize the flow of stimuli to suit his needs, objectives and priorities. There are several principles that help the consumer arrange or organize the stimuli he receives via various senses. The first principle involves the classification of incoming information into sets, facilitating information processing faster and

more effectively. The second principle involves the integration of stimuli; the consumer perceives varied stimuli, from a variety of sources, as one integrated whole. This comprehensive view of things has implications for advertising. A particular advertising message should represent an integrated whole, comprising the picture with its information and interacting elements, towards achieving the desired effect.

3. Interpreting and organizing selected stimuli

These processes rely on the consumer's beliefs, and mental and psychological abilities as well as his previous experience and present goals. [37]

6.3.4 Perception Process

Due to the great speed of the perception process, it is very difficult to divide it into distinct phases. Obviously, all decision theories do not deal with facts, but with how the consumer perceives these facts. For example, the concept of risk reduction is concerned with how the consumer perceives the risks associated with the purchase decision and its consequences.[38] The consumer may face a number of risks, the most important of which are those related to performance, body, finances, social conditions, psychological conditions and time.

The degree of risk differs from consumer to consumer. Some have great readiness for risk, and their risk degree is high. There are those who do not care about financial risks. There are also those who do not care about bodily risks, such as mountain climbers and race drivers. Social risks may matter little to some people who dress differently despite their social affiliation. Also, risk degree differs from one set of products to another. Naturally, some sets are generally high-risk products, and this explains the differences in the consumer's assessment of purchase risk. For example, risk involved in buying a car is higher than in buying a book, as the former

includes most types of risk, which may have a negative effect on the consumer.[39]

6.3.4.1 Perception phases

Generally speaking, it can be said that perception affects the consumer at all the decision-making phases. In light of the perception process definition, three phases can be identified. They are: (a) sensing external stimuli; (b) selection and focus on a particular stimulus; and (c) interpreting the stimulus and giving it meaning.

[A] Sensing external stimuli

People rely on the five senses in communicating with the external world and their mental world. In other words, the individual feels the surrounding conditions through his senses. Sense organs (eyes, nose, ears, mouth and skin) receive input from the external world and convey it the perceptual system.

Related research reveals that human potentials are limited with respect to sensing all surrounding occurrences. Given the amount of things happening around the individual without perceiving them, he can be described as relatively insensitive. In fact, his total perceptions are only a small fraction in comparison with the potentials of other creatures in the same environment. For example, some animals can hear sounds that man cannot because their wave frequency is beyond the ability of the human ear.

Psychophysics reveals how limited the five senses are with regard to realizing minor differences that may exist in the characteristics of the products the consumer normally buys. Very often, the taste or smell of a food product changes, yet the change is too slight to notice. This has important implications for the marketers who are concerned with how the consumer perceives changes in product characteristics, and with the resulting changes in his behavior.

[B] Stimulus selection and focus

Both stimulus characteristics and personal factors are important for attracting and directing attention. On the one hand, the stimulus with distinct characteristics can halt other intellectual and information operations occurring in the perceptual system. Such a stimulus is capable of changing focus of attention. On the other hand, personal factors are simultaneously prepared to receive that type of stimulus. Therefore, the stimulus spontaneously becomes the focus of attention.

Suppose there is one person in a group of people at a party, and they are talking aloud. He is busy talking to a friend. All of a sudden, amidst the crowd and noise, someone in a corner utters the person's name. At that point, his perceptual system spontaneously takes the direction of the place or individual who has uttered his name. Then, he may either talk to him or ignore the matter and continue his original conversation.

The previous example shows the stimulus with the important characteristic (the person's name) is able to dominate all other stimuli in the person's context. It attracts his attention because his perceptual system is ready and prepared to pay attention to the name. The example also shows that attracting the attention and retaining it are two independent operations. While the stimulus characteristics and the personal factors work for attracting attention, the personal factors have a stronger impact on attention retention. This is evident in the case whether to follow up the utterance of the name or to ignore it.

Regarding the consumer's perception, selection is a sensitive issue. While shopping, the consumer comes across a lot of products and brands. He also notices a large number of advertisements, audio, visual or written. Naturally, he would not be able to perceive such a great deal of stimuli. Therefore, his sense system allows him to receive a certain amount of the stimuli while ignoring the rest.

Thus, he selects only a portion of the stimuli for perception.

This explains why each advertiser competes hard to have his own message, rather than others', continuously remembered by the receiver. This demands marketers to realize the importance of making their products distinct, having the type of characteristics that can interrupt other mental operations occurring in the consumer's perceptual system. They also have to make the shape and name so attractive that they can get the most attention compared to the tens of competitive products.

No wonder, there are a lot of strange advertisements and methods of promotion, unique designs and unfamiliar names. All these things show how hard marketers compete for the consumer's attention. They try to make their product's name, image and brand create a special impact on his mind. Each wants the consumer to focus on his own product, thus denying others the opportunity of attention.

[C] Stimulus interpretation

When the consumer senses a stimulus, he makes an effort to interpret it, i.e. to give it some meaning. The stimulus is selected from among large numbers of stimuli received by the senses. Having selected some stimuli, he puts them into homogenous groups, and then tries to interpret them.

The consumer's interpretation derives from his past experience, memory, values, beliefs and several other personal factors. They play an important role in defining the meaning of the received stimulus in the consumer's mind. However, the given meaning may not be the same as the received stimulus. This has important implications for the marketer. He should present his product in such a way that it can have an interpretation compatible with his interest and desire to give a suitable impression about his product.[40]

6.3.5 Gestalt View of Perception [41]

Unlike the earlier views, maintaining that perception is the result of two factors, stimulus characteristics and the individual's characteristics, the Gestalt view adopts an integrated approach. According to Gestalt psychology [42], perception and behavior are to be studied from the perspective of the organism's response to integrated units or images, forming a functional whole with characteristics that cannot result from the parts individually. Gestalt psychology also emphasizes the equivalence of psychological and physiological acts, while denying the breaking down of stimuli, percepts and responses into scattered elements.[43] The perception process is an integrated dynamic whole creating impressions that are very different from those expected from each part of the stimulus on its own. In other words, perception is not about separate parts, but about one whole.

The following are some important Gestalt principles related to perception:

(A) Spontaneous completion of incomplete stimuli

The individual tends to complete an incomplete event or stimulus, for perception is based on a perfection system. Accordingly, the individual tends to remember the incomplete stimulus more than the complete one. That is why some advertisers put up a picture showing only half the product, or make inquisitive advertisements asking a question about the product without mentioning its name. Sometimes, the name of the new product is mentioned without descriptions. Also, a space may be left in an advertisement in order to motivate the consumer to guess what can complete it. Such things reinforce the consumer's recollection of the advertised product.

(B) Expectations

Perception depends to a great extent on expectations. If a consumer

believes that a particular company for electrical appliances provides high quality products, he is likely to perceive that a new product it is launching must be of high quality too.

(C) Order

Perceiving a particular stimulus is strongly related to its position in the order of stimuli. Accordingly, a previous stimulus leads to a different perception in comparison with a later stimulus. Therefore, the producer seeks to present his product in the best form when launching it. The product’s success may depend in the long run on how it is initially perceived. This implies that launching a new product demands a great deal of insight and extensive investigation in order to enhance its desired image.

6.4 Personality

Personality plays a vital role in directing consumer behavior. Therefore, understanding behavior requires the study and analysis of personality in order to identify its types, the characteristics of each and their impact on behavior.

6.4.1 Definition

There is no fixed definition of personality in psychology. However, it can be viewed as "an intricate complex of behaviors and reactions to life's various occurrences." (44) The complex consists of a set of abstract permanent traits that interact with each other and determine the individual's responses to objects and situations in the surrounding context, hence responses to various consumer situations. (45)

Personality is also defined as a set of internal psychological components that determine the way the individual behaves or acts towards stimuli in his environment as well as towards new situations. (46)

In light of the above, personality can be viewed as a dynamic complex of psychological and physical systems that determine the individual's thoughts and behavior. In other words, it is a model of traits determining his responses. For example, we speak of the individual as self-confident, flexible, shy, effective, aggressive, etc. These personality traits affect his responses to the various daily life conditions he faces.

Even though it is agreed that personality traits affect consumer perception and purchase behavior, the behavior of a particular personality cannot be definitely predicted. There are other factors, in addition to personality traits, that affect purchase decisions. (47)

One of the relatively modern concepts in marketing is that certain products suit specific types of personality, and marketers try to match the product with its personality type in the target market. For example, the car can be matched with these personality types: elitist and distinct, elegant and aristocratic, young and athletic, family-oriented, practical and economic, popular, powerful and gigantic.(48) Through all these personality types, related target markets can be approached.

6.4.2 Personality Types

In terms of traits, personalities can be classified into three types: compliant, aggressive and secluded.

(A) The compliant personality

A compliant person loves people and prefers to interact with them and to be associated with groups. He seeks friendships, cares about others' opinions of him, and likes to see that they love, accept and respect him. Such a person tends to depend on others' opinions and advice when taking a purchase decision. He also tends to buy the products that make him look good in their eyes. In dealing with community members, he behaves positively and kindly. He would readily offer advice on products he is familiar with, even if not asked. He is influenced by the advertisements that focus on the image of the individual scene accepted by others. His motives for buying are dominated by the need for belonging and love.

(B) The aggressive personality

This type of person has an aggressive attitude towards others. He prefers to stay away from people, and seeks authority, power, and respect. With regard to advertisements, he tends not to believe them. In fact, he strongly believes that they provide exaggerated, if not false, information. He trusts no opinions on the product but his own experience. He is likely to suspect the information a salesperson gives him. Instead, he explores markets thoroughly

prior to purchasing. Strangely, he likes to offer advice to others, thinking that it should be taken for granted. He does his utmost to satisfy his need for recognition and respect.

(C) The secluded personality

The secluded person prefers to be aloof, but, unlike the aggressive type, he is too submissive. He tends to be indifferent to various obligations, and is not interested in influencing or being influenced by others. Such a person prefers not to consider others' opinions, and he takes his decisions independently. He does not express his opinion to others, but prefers to keep it for himself for fear of consequences unto himself. Regarding others' experiences, he does not seek to know them, but he tends to rely on his own search, investigation and experience as well as information derived from neutral sources.

There are other personality traits that play a role in shaping consumer behavior. For example, the rational consumer displays reasonable motives, whereas the emotional person tends to seek the satisfaction of emotional motives, such as appearances and boasting. As for the shy person, he is too embarrassed to bargain or ask the salesperson ''too many questions'' regarding the product and its advantages. In contrast, the bold forthcoming person tends to search, investigate and bargain till he gets the best alternative at the lowest price. Also, unlike the self-confident consumer, the hesitant person takes too long looking for information, weighing alternatives and taking his final decision. Yet, he suffers more post-purchase dissonance and dissatisfaction. This demonstrates how personality affects the time spent on taking the purchase decision.

In addition, the consumer seeking distinction tends to go for unique products, and to adopt new ones, particularly clothes. How generous a person is plays a significant role in deciding the quantity and quality of the products he buys.

Even though each individual has a mix of those tendencies, only

one of them dominates the others, and controls the personality as a whole, giving it its own typical trait.

Research findings show that personality traits cannot provide a clear explanation for behaviors at all times, nor can they be considered the only determinants of consumer behavior. There are other variables that affect personality. Suppose, two consumers have the same personality trait, but they belong to different generations. Difference in age between them will result in different preferences of product sets. Also, differences in social class, economic conditions and gender will result in varied purchase behavior, even if the two personalities are identical in nature.(49)

The afore-mentioned findings demonstrate that personality traits are not the only factors determining consumer behavior. Together with other factors, the traits determine the individual's pattern of consumer behavior.

6.4.3 Consumer Values and Self-Concept

6.4.3.1 Definition

Values are considered concepts related to personality and they control a lot of its traits. As defined by Henry Morray, values are mental representations of man's real needs. It is worth mentioning that value research focuses on aims and ends man seeks to reach, while personality research focuses on causes of differences among individuals.

6.4.3.2 Value types

Two basic types of value can be identified. They are terminal and instrumental. Terminal values are the beliefs the individual has regarding the final goals he seeks to reach, e.g. happiness, wisdom and self-realization. Instrumental values are the beliefs regarding desired behavior methods that help the individual reach his terminal values, namely means-to-ends, e.g. shouldering

responsibility and behaving honestly.

Since values are transmitted across cultures, including sub-culture - to be discussed later - the majority of culture / society members adopt them. This explains why certain values are dominant in one society, but are not in another. Also, the importance of each value varies from one individual to another in the same society. While some members hold certain values as important, other members give priority to other values. [50]

Marketers can benefit from the two-type value classification, by identifying the terminal values prevalent in the target society. They can also emphasize the role of instrumental values in promoting their products. For example, if love for self-distinction is the dominant value in the target society, the marketer should stress it in his promotional and advertising campaigns. He should stress the importance of relevant instrumental values, such as encouraging distinct consumption and patronage of special types of stores and brands.

The higher the degree of welfare in a society, the more important those values are. Also, values change with the passage of time, the development of culture and social, economic and technological changes.

6.4.3.3 Self-concept

One of the basic concepts in personality studies is self-concept, i.e. the image the individual visualizes for himself and believes others see him that way. In that regard, psychologists distinguish between realistic self-concept and ideal self-concept. Realistic self-concept refers to the image the individual actually has for himself. Ideal self-concept refers to the image by which he desires to be seen by others. The individual's self-concept is affected by his psychological and physical needs, innate and acquired. It is also affected by economic, social and demographic factors.

Marketing studies have revealed that consumers prefer the

products, brands and stores that are in harmony with their realistic or ideal self-concepts. In fact, there is normally similarity between product characteristics and those of their respective consumers. The individual tends to buy the product that expresses his realistic or ideal personality.

Making use of the ideal self-concept, marketers seek to give the consumer the impression that if he chooses a particular product, he will gain certain personality traits. The marketers already know that the traits are acceptable to him and fulfill his self-image. A very clear example is that of cigarette advertisements. They try to persuade the consumer to believe that smoking a particular type of cigarettes will give a manly, authoritative and distinct image. Similarly, some advertisements portray the female consumer of a particular product as a modern lady.

Certain research findings related to self-concept emphasize that it is the consumer's realistic self-concept that affects his behavior. Yet, others ascertain that the ideal self-concept is the most influential. However, related studies in general conclude that the consumer's self-concept combines both the realistic and ideal concepts of self.[51] It is this combination that influences purchase decisions. Also, the influence of self-concept varies from product to product.

Endnotes of Chapter 6

(1) Ba-Zar'ah, M. S., *Marketing Management,* op cit, p. 298.
(2) Mohamed, M. F. and A. M. Al-Shirbeeni, *Consumer Behavior,* op. cit., p. 70.
(3) Al-Ghadeer, Hamad and Rashad Al-Saed, *Consumer Behavior*: op. cit., p. 63.
(4) Abdul-Hameed, T. A., *Eective Marketing*: op. cit., p. 98.
(5) Mohamed, M. F. and A. M. Al-Shirbeeni, *Consumer Behavior,* op. cit., p. 69.
(6) Hanna, Naseem, *Principles of Marketing,* op. cit., p. 111.
Ba-Zar'ah, M. S., *Marketing Management,* op cit., pp. 298-299.
(7) Abraham Harold Maslow (1908-1970) was an American Psychologist and Philosopher. He was known for his theory that maintains that self integration is the highest aim of psychiatry. One of his well-known works is Motivation and Personality, N. Y., Harper & Row, 1954. In it, he suggests that the individual has a heirarchy of needs, and once he satisfies one level, he moves to the next. (*Encyclopedia Britanica*, p. 7/911).
(8) Hanna, Naseem, *Principles of Marketing,* op. cit., p. 114.
(9) Wilkie, William L., *Consumer Behavior,* op. cit., p. 142.
(10) Research Center of the Chamber of Commerce and Industry in Jeddah, *Analysis of the Purchase Behavior of Saudi and non-Saudi Women in Jeddah,* op. cit., pp. 22-23.
(11) Askar, S. M., *Management Principles,* Dar Al-Qalam, Dubai, 1987, p. 326.
(12) Obaidat, Mohamed, *Marketing Principles,* op. cit., p. 90.
(13) Wilkie, William L., *Consumer Behavior,* op. cit., p. 123-124.
(14) Al-Ghadeer, Hamad and Al-Sa'ed, Rashad, *Consumer Behavior: An Integrated Approach),* op. cit., p. 70.
(15) Mohamed, M. F. and A. M. Al-Shirbeeni, *Consumer Behavior,* op. cit., pp. 57-58.
Ba-Zar'ah, M. S., *Marketing Management,* op cit, pp. 299-304.
Abdul-Hameed, T. A., *Eective Marketing: Fundamentals and Applications,* op. cit., pp. 103-106.
Research Center of the Chamber of Commerce and Industry in Jeddah, *Analysis of the Purchase Behavior of Saudi and non-Saudi Women in Jeddah,* op. cit., pp. 23-25.
(16) Obaidat, Mohamed, *Consumer Behavior*: op. cit., p. 80.
(17) Al-Sulami, *Marketing Research:* op. cit., pp. 290-292.
(18) Obaidat, Mohamed, *Consumer Behavior*: op. cit., p. 80.
(19) Hanna, Naseem, *Principles of Marketing,* op. cit., pp. 106-107.
(20) Obaidat, Mohamed, *Marketing Principles,* op. cit., p. 93.

(21) Obaidat, Mohamed, *Consumer Behavior,* op. cit., p. 83.
(22) Obaidat, Mohamed, *Marketing Principles,* op. cit., pp. 93-94.
(23) There will be more on Gestalt Psychology in the section on the modern perception theory.
(24) Hanna, Naseem, *Principles of Marketing,* op. cit., pp. 109-110.
(25) Obaidat, Mohamed, *Principles of Marketing,* op. cit., p. 93.
(26) Hanna, Naseem, *Principles of Marketing,* op. cit., pp. 108-109.
(27) B. F. Skinner (1904-190) is an American Psychologist, and belongs to the behaviorist school of psychology. He was influenced by the works of the Russian physiologist Pavlov. Basic to his theory is that human behavior constitutes psychological responses formed through learning by reward and punishment from the surrounding environment. (*Encyclopedia Britannica,* p. 10/865).
(28) Hanna, Naseem, *Principles of Marketing,* op. cit., p. 109.
(29) Stanton and others, *Fundamentals of Marketing,* op. cit., p. 129.
(30) Wilkie, W. L., *Consumer Behavior,* op. cit., pp. 283-287.
(31) Abdul-Hameed, T. A., *Eective Marketing,* op. cit., pp. 110-111.
(32) Mohamed, M. F. and A. M. Al-Shirbeeni, *Consumer Behavior,* op. cit., p. 97.
(33) Wilkie, W. L., *Consumer Behavior,* op. cit., p. 205.
(34) Abdul-Hameed, T. A., *Eective Marketing:* op. cit., p. 112.
(35) Al-Musaa'id, Z.K., *Marketing from a Comprehensive Perspective,* op.cit., p. 124.
(36) Mohamed, M. F. and A. M. Al-Shirbeeni, *Consumer Behavior,* op. cit., pp. 98-99.
(37) Obaidat, Mohamed, *Principles of Marketing,* op. cit., p. 92.
(38) Mohamed, M. F. and A. M. Al-Shirbeeni, *Consumer Behavior,* op. cit., p.100.
(39) Al-Ghadeer, Hamad and Rashad Al-Saed, *Consumer Behavior:* op. cit., pp. 89-91.
(40) Wilkie, W. L., *Consumer Behavior,* op. cit., pp. 207-215.
(41) Hanna, Naseem, *Marketing Principles,* op. cit., pp. 104-106.
(42) Gestalt psychology is a behaviorist school that emerged in Austria and the South of Germany in the late 19th century. It advocates that an absolute object as a whole is greater than its individual parts, and the characteristics resulting from the object as a whole cannot be obtained from analyzing its parts individually. Gestalt principles go back to Johann Goethe (1749-1832), the German literary figure and philosopher. Among the founders of the Gestalt school of psychology are Max Wertheimer, a Czech by birth (1880-1930) and Wolfgang Kohler (1887-1967), a German scholar. "Gestalt" is a German term, which has no English synonym, and it means the way by which a thing develops as a whole. (*Encyclopedia Britannica,* p. 5/226).
(43) Al-Ba'albakki, Munir, *Al-Mawrid Dictionary,* Beirut, Dar Al-'Ilm Lil-Malaayeen,

1991, p. 386.
(44) Wilkie, W. L., *Consumer Behavior,* op. cit., p. 150.
(45) Mohamed, M. F. and Al-Shirbeeni, A. M. *Consumer Behavior,* op. cit., p. 146.
(46) Al-Ghadeer, Hamad and Al-Saed, Rashad, *Consumer Behavior: An Integrated Approach,* op. cit., p. 113.
(47) Stanton and others, *Fundamentals of Marketing,* op. cit., p.130.
(48) Mohamed, M. F. and Al-Shirbeeni, A. M., *Consumer Behavior,* op. cit., pp. 146-147.
(49) Wilkie, W. L., *Consumer Behavior,* op. cit., pp. 151-158.
(50) Wilkie, W. L., ibid., p. 159.
(51) Stanton and others, *Fundamentals of Marketing,* op. cit., p. 131.
Wilkie, W. L., *Consumer Behavior,* ibid., p. 156.

Chapter 7

Income Impact on the Purchase Decision

Chapter Topics

7.1 The Concept of Income

7.2 Impact of Income Change on Consumer Spending

Income Impact on the Purchase Decision

The individual's socio-economic conditions determine his consumption behavior pattern and how he takes his purchase decisions. In this respect, income is clearly one of the major factors that influence consumption. It plays an essential role in defining the individual's consumption and purchasing behavior. To desire something does not in itself result in consumer action. One desires, for example, to have the best house, the best car, etc. "Desires do not translate into consumer behavior unless they are backed by a purchasing power."(1)

The consumption process is based on two factors: the purchase desire and the buying power. The purchase desire is determined by psychological motives and social motives, e.g. reference groups and social classes. It is also determined by marketing motives, e.g. advertisements. As for the buying power, it is under the strong influence and control of the income factor.(2)

In order to define the relationship between income and consumption, we need to explain the following: (1) income and (2) the effect of income change on consumer spending.

7.1. The Concept of Income

7.1.1 Income Definition and Types

Income is defined and classified in various ways. The following are some of them.

1. Income types according to taxes

Consumer income analysis is conducted through the distinction between (a) accrued income, (b) disposable income, and (c) discretionary income.[(3)]

(a) Accrued income is the total income, from wages, salaries, rent, interest, non-fixed values, benefits, and pensions, before deduction of taxes, and duties.

(b) Disposable income is the accrued income minus taxes and duties. It is what the consumer spends to satisfy his needs, and from which he extracts his savings.

(c) Consumer discriminatory income is the disposable income minus the costs of basic needs, like food, clothing, accommodation, transportation, and minus any fixed duties, such as insurance installments, debts, and house mortgage. It is what the consumer spends on non-essential items.

2. Income types according to real Value

According to its real value, income can be classified into: money income, real income, and psycho-income.

Money income is the amount of money the individual gets periodically.

Real income is the amount of goods and services which the individual can buy with his money income. It is also defined as the

buying power of income, and it is usually affected by the existing inflation rate.

Psycho-income is the individual's perception of his own money income and real income. It is usually affected by his surrounding environment. It increases or decreases according to the individual's personal assessment of the surrounding conditions, e.g. how far the place of work is from family and friends, and the financial and psychological costs.

3. National income

Because income affects consumption, marketers study the national income of the country where they pursue their activities. The national income expresses the total buying power of a country's population. It helps identify the general context and size of consumption.

The national income is the total of all the incomes due from the factors of production (capital, labour, land, administration and organization) that contribute to production in the country over a particular period of time, which is regularly one year.[4] Dividing the national income by the population number gives the annual income average. Yet, it does not refer to something real; it is only a criterion for measuring the general buying power. The individuals' income may be higher or lower than average. Rarely do we find people whose income is exactly equal to the income average marketers are interested in the income that is available for spending, i.e. the real income, for the individual does not consume except within the limits of the income he can spend.

7.1.2 Real Income and Consumer Behavior

In light of the aforementioned, the real income has a significant relationship with consumer behavior. This relationship is manifest in the following:

1- The ability to accept risk

The rich have more ability to put up with risk. This is why their purchase decision-making is faster, and why sales agents and service promoters look for them to lead purchasing. Because the rich have high quality needs, they require high quality products, especially ones that need little maintenance and are uniquely strong and durable; the rich do not have enough time to get products exchanged or repaired. The more a particular brand is known, the readier they are to purchase its product.

2- Product search

Consumers follow the stages that lead to the correct purchase decision. They may opt for a renowned product on friends' advice, or they may rely on catalogues. Due to the ever-growing speed that characterizes modern life, consumers do not have enough time to search for products. The more the customer's income rises, the more he seeks faster ways of doing his shopping. He also becomes more interested in additional services like what restaurants or planes offer. Indeed most of his decisions depend on the quality of the service.

3- Product use

Even though high-income people normally purchase multi-purpose high quality products, they learn only some simple functions related to operation. Products are thus under-utilized. This is very common with household electric appliances. Given the importance of instructions related to use and security, appliances and tools the rich class own require more post-sale service, preferably at customers' homes. This is to emphasize the high performance and quality of products. High income people value time greatly and become impatient if they have to wait for necessary services. This requires speed and attention to the organization's concept of service, particularly as the products are used by others, such as servants. As for the middle class, consumers are more concerned

with attached instructions, as well as with safety and proper use.

4- Product quality

High-income customers seek quality standards. They look for a quality with these clear specifications: reflecting wealth and prestige; showing high performance; distinguishing owners from others; and increasing their enjoyment of leisure time. For example, they want televisions and computers with big screens and want expensive hunting or sports equipment. Their high income allows them to aim high in terms of quality.[5]

7.2. Impact of Income Change on Consumer Spending

7.2.1 Impact of Income Rise and Fall

Income rise often affects consumer behavior, for it increases consumer spending.The increase depends on the amount of income and the percentage of increase. For example, in the case of an average or low income family, the increase may lead to increased consumer spending by the same percentage or higher. This can be explained in two ways:

1. The family may be somewhat deprived, and its basic needs for food, clothing, housing, etc. are not satisfied. Therefore, it uses all the increase to satisfy them. A family, which lives in a small or uncomfortable house and looks forward to improving its housing conditions, finds itself spending all the increase in income to buy a new house, or refurbish or expand the present one.
2. The increase in income may cause the family to move to a higher social group or class. Therefore, the family may find itself trying to emulate the consumer pattern of that group or class. This sometimes leads to a level of consumer spending that exceeds the increase. This takes the form of purchasing with deferred payments or spending from savings.

Regarding high income families, the increase in income may lead to increased consumer spending, but by a small percentage. Such families must have already satisfied a lot of their basic needs. Therefore, the increase is not all directed to consumer spending. The surplus is saved or invested.[6]

Thus, it can be concluded that if the monthly income of a poor

family increases by a certain amount, its consumption pattern will be greatly affected. If a rich family gets the same amount of increase, its consumption pattern will not change much.[7]

Not only does income influence the quality of the purchased product, but also its quantity. High income people can afford to buy the quantity and quality of products they want, whereas limited income ones cannot.

In other words, the increase in income enables the consumer to obtain higher quality products, because quality and price are often related. The increase facilitates the purchase of more up-to-date and more sophisticated products.[8]

In general, income rise creates various motives. Individuals tend to fulfill needs related to social status and social class - income is a significant indicator of social class definition. This is clearly manifested in high income individuals who prefer imported products and distinct famous brands[9]. They also frequent selling outlets whose customers are almost exclusively high class, and whose products none can afford but high income people.

With respect to negative change in income, sudden fall is significant in stopping purchase decisions in their last stages, as in cases of money loss, confiscation or sudden unemployment. Yet, income rise, as stated earlier, facilitates the purchase decision process. High financial power reduces the purchase risk, for the consumer can always afford to buy a better product. Also the decisions considered extended for low income consumers are considered limited for high income consumers.

The impact of income rise on consumer behavior is reflected also on increased spending on luxury products. Sometimes, luxury products become necessary. Also, the impact of income fall on consumption behavior can make basic needs look luxurious. For example, an air-conditioner is considered a necessity for some people, but a luxury for others.

7.2.2 Research Findings Related to Income Impact on Consumer Spending [10]

The following are some findings of field studies on the impact of income rise on consumer spending:

a. Impact of income rise on European families

Engel's study on the effect of income on consumption patterns of some European families has led to what is known in the literature as Engel's laws. Below is a summary:

Increase in family income leads to:

- Increased spending on food, by a percentage less than that of the increase in income.
- Increased spending on clothes, by a fixed proportion from the income.
- Increased spending on housing by a fixed percentage of income.
- Increased spending on such areas as education, leisure and culture, by a percentage higher than that of the increase in income.

b. Impact of income rise on American families

The following are the findings of similar studies conducted on American families.

Increase in family income leads to:

- Increased spending on food, by a percentage less than the income increase percentage.
- Increased spending on clothes, by a fixed percentage from the income.
- Increased spending on housing, by a higher percentage than

that of income increase.

- Increased spending on other items, by a higher percentage than that of income increase.

The above-mentioned findings of research on American families are consistent with Engel's laws except the third law. This may be due to the fact that income increase may make the American family move to a larger accommodation, hence the increased spending on housing by a percentage higher than that of increase in income.

c. Impact of income rise on Egyptian families

Similar studies conducted in Egypt reveal that increase in family income leads to the following: [11]

- Increased spending on food, by a percentage higher than that of the increase in income.
- Increased spending on clothes, by a fixed percentage of income.
- Increased spending on other items, by a percentage higher than that of the increase in income.

However, the research on the Egyptian family shows no increased spending on housing, as expected according to Engel's laws. This may be due to the housing crisis in Egypt. A normal income increase cannot lead the Egyptian family to move to a new house. Moving to a new house requires a huge increase in income. Apart from the housing factor, the Egyptian findings are consistent with Engel's laws, except the first law. This may be attributed to the sub-satisfaction level of basic needs, such as food. This leads to spending the increase in income on satisfying those basic needs, but by a percentage higher than that of the increase.

Endnotes of Chapter 7

(1) Mohamed, M. F. and Al-Shirbeeni, A. M., *Consumer Behavior,* op. cit., p. 206.

(2) Engel, J. F., Kollat and Blackwell, *Consumer Behavior,* Chicago: the Oryden Press, 1968, p. 43.

(3) Wilkie, W. L., *Consumer Behavior,* op. cit. p. 205.

(4) Hassan, S. A. Marketing: *Principles and Strategies,* op. cit., p. 78.

(5) Mohamed, M. F. and Al-Shirbeeni, A. M., *Consumer Behavior,* op. cit., p. 209.

(6) Abdul Hameed, T. A., *Eective Marketing:* op. cit., pp. 126, 129.

(7) Mohamed, M. F. and Al-Shirbeeni, A. M., *Consumer Behavior,* op. cit., pp. 212-213.

(8) Assaaf, M., *Marketing Principles,* op. cit., p. 64.

(9) The Chamber of Commerce Research Center, *Analysis of Purchase Behavior among Saudi and non-Saudi Women in the City of Jeddah,* op. cit., p. 90.

(10) Ibid., p. 102.

(11) Mohamed, M. F. and A. M. Al-Shirbeeni *Consumer Behavior,* op. cit., pp. 214-215.

Chapter 8

Marketing Factors Affecting the Purchase Decision

Chapter Topics

Marketing Factors Affecting the Purchase Decision

The marketing function seeks to identify and define the consumer's desires in order to satisfy them subsequently. The intended satisfaction is to be realized by means of designing and providing suitable products at a suitable price in a suitable place, while informing and persuading the consumer about how advantageous the characteristics of the goods or services are for him.

8.1 Influence of Salespersons

The present section focuses on the effect of salespersons on the purchase decision-making process. To persuade customers, salespersons rely on various ways and means, e.g personal qualities, abilities, and selling techniques as well as price, buying conditions, and post-sale services. Salespersons' influence is different from other marketing factors. Astute marketers have become aware of the impression the salesperson conveys to the customer about the marketing or producing company. Therefore, marketers and their representative agencies control the image they want the customer to have them through the salesperson.

Modern marketing considers the salesperson-customer encounter as a crucial event; it can reinforce the relation between the company and the customer or it can ruin it. Thus, the salesperson plays a significant role in making successful transactions and presenting a good image of the company. He represents the link between the marketer and the consumer and benefits both of them. He serves the marketer who gains material rewards for his efforts and serves the customer who benefits from the product he pays for.

Modern marketing research gives a lot of importance to salespersons' training, so that they can convey a suitable image of the company they represent. This is done through introducing them to ways of making customers feel important.

Salespersons' training concentrates on four areas:(1) analysis of the two parties;(2) the successful salesperson;(3) personal selling methods; and (4) consumers' views on selling. The following is a detailed discussion of the four areas.

8.1.1 Analysis of the two parties

Personal selling is "a face-to-face activity, whereby a salesperson

encounters a consumer in order to introduce him to the qualities of a product and persuade him to buy it."[1] Personal selling is an art and special skill that a salesperson acquires. It enables him to convince others to buy products he wants to sell. Studies of the nature of personal selling no longer focus on one party of the transaction; both salesperson and customer contribute to its conclusion. The outcome of this transaction depends heavily on how each party views and reacts to the other.

The interaction between the two parties follows three stages: the orientation stage, the evaluation stage, and the consumption stage.[2]

a. The orientation stage

The orientation stage is normally very short. The consumer informs the salesperson about his needs and requirements. The consumer also receives information on what is available in the store. This takes place even when the customer does not intend to buy. He may be browsing around in order to explore the shops, to assess the products on offer, and to compare prices.

b. The evaluation stage

It is at the evaluation stage that available options are discussed. Here the salesperson has the upper hand, as it were. For as soon as he identifies the customer's needs and requirements, through stage (a), above, he selects the available products that could meet those needs and requirements. He also makes use of the experience and knowledge he has accumulated in this field, in order to direct the consumer towards the alternatives that are available. A salesperson is often successful in changing customer attitudes towards the products he has into positive attitudes. He plays an important role in affecting the customer's choice and directing it towards items and brands he is keen to sell or promote. The salesperson's role is all the more significant because of the mismatch between the information he has and the information the customer has. The

experienced salesperson masters the art of personal selling; he has an excellent knowledge of the products, the services, and the selling terms; he has good mastery of persuasion techniques; and he has adequate training in using effective methods in dealing with customers. Most customers, on the other hand, have very small knowledge of the available products, the offers the shop has, and persuasion theories and methods. According to experts of consumer economics, the more knowledgeable of the product's specifications and the more aware of persuasion techniques the consumer is, the more powerful and successful he is in the purchase process. The consumer who wants to buy the best product with the best conditions has to gather the necessary information on the product, the offered prices, and the terms of selling.

Salesmen often try to sell products at the highest price consumers can pay in order to make as much profit as possible. It is possible that the salesperson lowers the price at the last minute if he realizes that the customer will not buy unless the price is tremendously cut down. Customers who are not aware that salesmen use bargaining and negotiation methods end up paying a high price.

Consequently, as far as products whose prices are negotiable, the consumer has to have an idea about the range of prices on the market and the common bargaining procedures. He should also understand the style the salesperson adopts. This provides him with an effective power in the transaction. Products and services with fixed prices, e.g. medical charges, supermarket items, and post office fees, are obviously not included.

A consumer pays less than another one, for the same product, brand, or model, if he knows more about the product, its alternatives, and its price in other stores. His personal characteristics, e.g. strong personality, flexibility, audacity, ambition, and vigor, add to his negotiation power. The selling transaction, thus, looks like a contest where the salesperson's power and the customer's are at stake.

One fundamental reason for the success of the selling transaction is the consistency between the customer's social status and the type of store he patronizes. A customer who enters a store that corresponds to the social class he belongs to feels comfortable and self-confident. Another reason for the success of the selling operation is the presence of some shared traits and dispositions between the customer and the salesperson, e.g. age, religion, level of education, and especially social attitudes or political standpoints. The latter seems to be the most important.

The presence of other characteristics in the salesperson contributes towards his success. Consumers trust more the salesperson who gives the impression that he is in control and that he can solve all their potential problems with the product he is selling.

Indeed, despite the prevalence of material values in our life, the consumer remains a human being with much subjectivity. He likes to be nicely looked after and hates to be treated as a fleeting face among those unidentifiable faces. He likes to have his desires and needs identified and his queries answered, but he hates to be cheated or exploited. The feeling that the salesperson is after the money in his purse makes him feel insecure and distrustful. On the other hand, any special treatment the customer receives, no matter how little it is, makes him feel important and willing to buy.

c. The purchase decision-making stage

When the consumer reaches the purchase decision-making stage, he has already made up his mind concerning the product he intends to buy, its brand and its model. In his completion of the purchasing process, the client negotiates (i) modalities of payment, (ii) availability of home delivery, and (iii) possible time for product delivery. The business transactions the salesperson concludes successfully are quite indicative of his ability to achieve better profits for the producer and the marketer whom he represents and works for.

This stage does not represent the end of the client-salesperson encounter. That encounter may be the beginning of a long-lasting loyalty. The salesperson should not overlook the stages that bring the sale transaction to its completion. These stages include warranty procedures, repair service, and any trouble-shooting at the early stages of operating the appliance.

Personal selling efforts are crucial in winning over consumers and in inducing them to buy goods and services. There are many consumers who hesitate to opt out of old products for new ones with which they are not very much familiar. To be encouraged, they need to be informed about the advantages of the new products or services and the incentives that come with them. They need to see the products tried before their eyes. They also need expert account on the product's constitution, operation, and maintenance. In the marketing chain, the salesperson represents the last crucial link with the customer, and this requires outstanding marketing efforts on his part. He provides the customer with products, services, and information. The successful salesperson devotes himself to the service of his company, and watches and records all that happens around him for better marketing performance.(3)

8.1.2 The Successful Salesperson

The successful salesperson has to have the following qualities:

a. Intelligence

In general, it can be said that the more a line of products gains in technical sophistication, and the more experienced customers become, the stronger the need is for a highly intelligent salesperson. The skills a salesperson is required to have are very much dependent on the nature of the product and its use. Selling construction equipment requires mechanical and architectural skills while selling decoration services requires a high level of artistic attributes.

b. Knowledge

The level and quality of the salesperson's training depends on the technical sophistication of the product and the knowledge consumers have of that product. Three types of knowledge are required for any selling post:

General knowledge: This type includes a basic knowledge of the market and competition. The general knowledge required for the salesperson is closely related to the degree of knowledge of current and potential customers.

Knowledge in the business field: This type of knowledge is related to the nature of customers and their views on the line of products.

Technical knowledge: The type of technical knowledge a salesperson has to have varies according to the nature and variety of the products he sells.

c. Communication skills

The salesperson's communication skill depends on his ability to choose the suitable words and style to get his ideas across. It also depends on his eloquence in fulfilling his mission in a clear and honest manner.

d. Skills of identifying other people's reactions

Obtaining basic information from customers depends on the salesperson's ability to understand their reactions. Asking customers adequate questions and listening carefully to them, while paying attention to their posture and gestures are very effective.

In addition to the above-mentioned qualities, a salesperson should have the following attributes:

- the ability to manage time;
- honesty in financial and non-financial matters;

- showing reassuring self-confidence through taking care of one's appearance;
- eagerness, initiative, and loyalty towards one's company; and
- competent performance, patience, and diplomacy.[4]

8.1.3 Personal Selling Methods[5]

The belief that a successful salesperson is naturally gifted is not totally unfounded. However, a good training program that follows modern selling methods often leads to the same results.

Among the available methods are:

a. The Stimulus-response method

The stimulus-response method is based on the use of customized statements. The salesperson makes use of these statements without giving the customer any chance to take the floor, let alone ask questions. According to this method, the salesperson tries to use some means or a stimulus that influences the customer's emotions and stimulates a need for the product directed at solving a current problem, attaining the desired satisfaction, and protecting the buyer from future harm. This technique is supposed to motivate the buyer to make the purchase decision easily and without opposition.

This method is considered effective in many cases. In addition, it requires a short period of time since most of the salesperson's statements are short and to the point. Nevertheless, this method treats all consumers in the same way. Thus, it may or may not succeed in completing the selling transaction, depending on the buyer's personality and the degree of his acceptance of the stimulus.

b. The logical steps method

In the logical steps method, the salesperson follows a series of logical steps to reach his goal. Project designers determine the steps in the light of their knowledge of the product and its

characteristics. The salesperson follows the steps, starting by giving the customer a detailed account on the characteristics, qualities and advantages of the product. Then, he gives the customer the opportunity to express his needs and desires. Taking those expressed needs and desires into consideration, the salesperson proceeds to the persuasion step. This method is followed in many retail stores, which sell TV sets, cars, personal computers, and other apparel. It is very common in personal computer marketing that the salesperson explains the characteristics of the product, gives the customer the chance to express his needs, and then persuades him of the superiority of the PC he wants to sell in meeting those needs.

c. The need satisfaction method

According to the consumer need satisfaction method, the salesperson discovers the consumer's needs by giving him the opportunity to talk. Once the needs and product-related problems are identified, the salesperson helps the buyer look at those needs and problems from a new perspective. At the same time, he tries to convince him that the product he is selling can solve his problems and meet his needs in a very effective way.

This is a rather advanced method; it does not rely on customized or memorized speeches. Rather, it relies on the salesperson's experience in understanding customers' behavior. The method requires well-qualified people who comprehend customers' behavioral motives and respond to them in the correct way. Since consumers have different motives, needs, and problems, salespersons are required to have the ability to think and act fast.

d. The AIDA method

This method is based on four factors: (i) getting the customer's attention (Attention), (ii) showing him, and triggering, his interest (Interest), (iii) arousing his desire for a particular product (Desire), and (iv) directing him towards making the decision to buy (Action). This method is characterized by its logical simplicity and by its

suitability for various marketing situations. Furthermore, marketing project designers find little difficulty training salespersons to adopt this method.

The AIDA method is detailed below:

(i) Attention

Getting the consumer's attention is an individual act that depends on the salesperson's personality and natural or acquired ability. What works in attracting one person's attention may not work with others. Attention getting techniques differ according to the selling situation. They also depend on whether the customer is new or regular. Furthermore, attention getting has psychological reasons; it can be a way of getting the consumer out of the state of mind he is in and directing his interest toward what the salesperson plans to achieve.

Whatever the means the salesperson adopts to capture his customer's attention, the procedure has to take place according to the acceptable, legal, and logical ways; otherwise, things will not go according to plan.

(ii) Interest

Salespersons listen to the consumer's needs and product-related problems. They show particular interest in the problems they can help the consumer solve. People, whoever they are, enjoy other people listening to them and sharing their thoughts with them. Interest-showing techniques give customers the chance to provide a detailed description of their needs and worries. Salespersons may rely on pictures, catalogues, and other means to interest customers in products.

(iii) Desire

Desire arousing is a step that precedes the decision-making step. It requires a good persuasion skill, for the customer often questions

what the salesperson offers and expresses his doubt about the satisfaction the product will provide for his needs. The salesperson's task is to persuade the customer that his objections and doubts are not very well founded and that the product really satisfies his needs. The salesperson may find it appropriate to produce concrete evidence to support his case; he may refer to previous customers' satisfaction.

(iv) Action

Here the salesperson starts by giving a summary in which he stresses the supremacy of the product in satisfying his customer's needs and its role in solving his problems, inciting all along his client to move towards the decision-making step. In order to avoid the client's refusal to acquire the product, the salesperson may avoid asking the customer whether he is about to buy the product or not. Instead, he may go ahead and start filling in the customer's order, ask him about the quantity he requires, enquire about the delivery date that suits him, or any other tactics that make it difficult for the customer to refuse to buy. It is worth noticing in this context that many people find it difficult to rush into making decisions. The salesmen's tactics spare such customers the trouble of any further hesitation and encourage them to place an order for the product.

8.1.4 Consumers' Views on Selling

Studies conducted by marketing specialists have investigated the selling process and focused on two major issues: (i) the strategies salespersons follow and (ii) the management of salespersons. The present section concentrates on the former issue. It is devoted to the steps salespersons follow to positively affect customers and the mounting influence they exert on their consumer behavior.

The salesperson derives his power to control the selling process from two sources: reference power and expertise power.

a. Reference power

Reference power has its source in the personal qualities of the salesperson. The more his qualities resemble the consumers' qualities, the closer to success the selling process is.

b. Expertise

Expertise power is deeply rooted in the salesperson's long career. The longer the salesperson's career in the field, the more successful his mission is.

There are studies on how salespersons conceive of the selling process. There are also studies on how consumers conceive of the sale operation. The latter are the subject of our discussion, below.

Consumers rely on three principles when engaging in any purchase operation. These principles give them power. They are:

a. "Knowledge is power"

The more information a consumer has on a selling transaction, the more powerful he is when he engages in that transaction. Information is related to the product and its price, the market, and the salesperson.

b. Price differences

That consumers have an idea about the price differences of similar products in the market is a prerequisite. It allows them to purchase the best at the smallest price and avoid any cheating. Consumers should also negotiate prices and gather relevant information.

c. Purchase strategies

Consumers ought to prepare their buying strategies in advance. The more knowledge they have about the product they intend to buy, and the more price discussion they engage in, the more likely they will acquire a good product at a reasonable price.

8.2 Advertising

Advertising is one of the basic tools organizations use to communicate with the public. For Stanton et al., "Advertising consists of all activities involved in presenting to a group a non-personal, oral or visual, openly sponsored message regarding a product, service, or idea; this message is called an advertisement, is disseminated through one or more media and is paid for by the identified sponsor."[(6)] Stanton et al. add that two major factors are involved in advertising: the marketers who are the senders of the message and the consumers who are the receivers. Marketers decide which advertising campaign they want to be involved in, while consumers represent the true and essential reaction to advertising campaigns [(7)].

Advertising has been known to man for ages, and its techniques have developed with developments in all walks of life and in the means of communication. Advertising has also been influenced by the developments in other scientific fields; it has benefited from those advances intelligently and rapidly. The major aim of advertising has always been to positively influence consumer behavior.

8.2.1 Definition

The word advertising itself is derived from "ad" which means "change" and "vert" which means "direction."

Advertising has many definitions, which vary in their wording and comprehensiveness. Each definition reflects the viewpoint and experience in media communication of its author. For Behms, advertising is a form of producing an intentional effect exercised by the advertiser on the listener or viewer, to achieve a specific goal. Haseloff defines advertising as a purposeful and planned

communication act advertisers perform by transferring to their audience information on a product or service they manufacture or market. They seek to trigger purchasing motives among the individual in order to increase their market share.(8)

Hoxitfeld defined advertising as a non-personal communication operation from the seller to influence the buyer through the advertiser, who reveals his identity in the available mass media (9).

Assaf defines advertisement as "all the various activities that lead to the publication or broadcasting of visual, audio, or printed messages to the public to induce them to buy a given product or service, or to appreciate the ideas of people or institutions that are advertised."(10)

According to Al-Sulami, "Advertising is a non-personal communication operation conducted through the mass media by advertisers who pay an amount of money to communicate certain information to certain consumers; advertisers reveal their identity in the advertisement."(11)

As for Ba-Zar'ah, advertising is "a non-personal communication means to present and promote ideas, products and services through a known medium for a paid price."(12)

The American Marketing Association gives a very similar definition: "Advertising is a non-personal means to present ideas, products, or services through a known body and at a paid price."(13)

The above definitions share the following characteristics:

- Advertising is a communication process through a medium of information.
- It is paid for.
- It comes from a known and clearly defined advertising body.
- It is meant to promote an idea, to convey a piece of information, or to market a product.

What matters most in advertising is the attempt to influence, through the advertiser's effort, the consumer and to direct his market behavior in a way that meets the aims of the organization. In this context, a distinction can be drawn between:

a. Informational advertising: It essentially aims at providing information for the consumer without attempting to influence him directly.

b. Impact advertising: It aims at producing a direct and rapid impact on the consumer.

The difference between a and b is a difference in degree of effect and not of type. The informational advertisement achieves the same aims as its counterpart, but at a lesser speed and in an indirect way.[14]

8.2.2 Basic Concepts of Advertising[15]

It is crucial at this point to provide basic factors, concepts and means that seek to make advertisement influence consumer behavior.

8.2.2.1 Basic factors of advertising

These factors are known as the seven Ms of Advertising:

(1) Merchandise: the product to be advertised.

(2) Markets: to whom the product is directed.

(3) Motives: what drives consumers to buy.

(4) Messages: the most effective advertising messages.

(5) Money: the price paid for the advertisement and the time of payment.

(6) Media: the time and place of communicating with the target consumer.

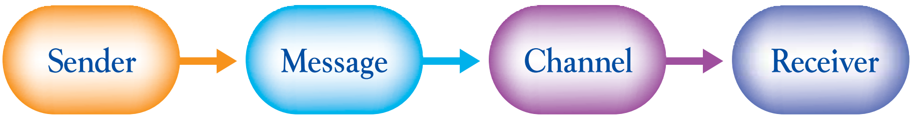
(7) Measurements: aims at increasing the efficiency of the above

factors, and involves making good use of consumer research, hence using its results in improving advertising campaigns.

8.2.2.2. Advertising as communication

The role of communication is complex. It includes an unlimited number of secondary decisions. This represents a real challenge to advertising as a communication means. Figure 10, below, contains a simplified communication model where the sender transmits a message to the receiver via a channel.

Figure 11
A simplified communication model [16]



This simplified model does not provide an adequate representation of how communication actually works. In most cases, communication is a two-way process. The sender transmits a message to the receiver, who, in turn, sends a message back to the original sender. Both participants take turns in being senders or receivers as the communication event proceeds. Examples of this two-way process include interviews, meetings and information exchange through personal advice among consumers or between the consumer and the salesperson.

One-way advertising does not have the advantages of two-way communication. The latter gives room for discussing matters of importance to the consumer. It captures his interest, and he realizes that he has to be cooperative and forthcoming. Furthermore, the sender receives feedback from the target consumer, who will have to maintain the communication channel, express his opinion, and show his understanding of the message. This allows the marketer to

adjust his message or explain it further. Personal sale is a good illustrative example in this respect. The marketer has the possibility of turning a one-way communication type into a two-way type. This is usually achieved through advertisement research that seeks to obtain consumer reactions to a certain product or through direct reactions that come through the phone, the post, the Internet, etc.

On the other hand, one-way communication, including advertising, has a number of advantages. One of them is that the sender transmits one message through many communication channels to a large number of receivers. This reduces the individual receiver's share of the fixed price for the advertisement. The effect of the advertisement increases through reliance on marketing and consumer research findings. The latter help in determining the place and time of the advertisement and contribute towards making it more attractive and effective for as many consumers as possible.

People are exposed to a huge quantity of messages; some of them pass unnoticed. According to a recent study, the average citizen is bombarded daily with more than 1000 messages. Some of the messages which he does not react to go to his short or long memory; they are stored, modified, or eventually erased. The modified or stored messages are used to build up one's experience or to back up other new messages. Advertising is, thus, a communication process that seeks to persuade consumers to buy a good or a service. Persuasion is the fundamental step towards realizing a positive reaction to the stimuli that the advertising message conveys. [17]

8.2.2.3. Advertising as a persuasive model

Advertising is one of the elements of the much more intricate promotion mix. In itself, advertising is a complex element, containing several factors. So, it is difficult to assess its role separately in the success or failure of a given product.

Figure 12, below, represents the stages advertising follows in the

communication system. There are three stages on the advertiser's (sender's) side, corresponding with three stages on the consumer's (receiver's) side.

Figure 12
Stages of the communication system of advertising [18]

	Advertiser (Source)		Consumer (Receiver)
(1)	Goals	= (6)	Reactions or responses
(2)	Intended message	= (5)	Perceived message
(3)	Actual advertisement (message)	→ = (4) channel	Delivered advertisement

A brief explanation of the above stages is given below.

Stage I: Advertising goals [19]

Stage I defines the goals of the advertising campaign. The goals depend on the market share, competition, and the nature of the target consumers.

There are four common advertising goals:

(a) Persuasion: it is convincing the customer of the superiority of the advertised trademark.

(b) Reinforcement: it is underscoring the positive post-purchase product evaluation.

(c) Reminding: it seeks to maintain the trademark in consumers' memory.

(d) Purchase encouragement: in order to encourage customers to purchase the advertised trademark as fast as possible, the

advertiser declares the end of the offer, the remaining quantity on offer, or the amount of discount.

The advertising goals differ according to the stage through which the advertised product is going. The effectiveness of all the goals is closely linked to the reactions of the consumer. The equality symbol (=), located between the goals and reaction and responses (Figure 12, above), indicates that the ideal communication system results in a consumer behavior that perfectly meets the advertising campaign goals.

Stage II: Intended message

Once the goals of the advertising campaign are set, the advertising message presentation stage starts. This stage seeks to direct the goals in a clear, unambiguous way towards the target consumer. To enrich their expertise in the field, trademark managers and advertising agents rely on previous studies on consumers' interests and behavior.

Stage III: Actual advertisement

The actual advertisement stage, which is conducted by the advertising agencies, includes message encoding. Here, many decisions are taken; they include the choice of words, sound effects, comedians, colors, decor, and timing. Then, to achieve the specific end, codes and ideas are translated into goals and an advertising substance that has many dimensions and a definite conception. This is why advertising managers select and buy the advertisement's time span in specific visual, written, or oral media channels, to transmit their message to the target consumer.

Stage IV: Delivered advertisement (Message reception)

The delivered advertisement stage focuses on the the receiving end in the communication process, i.e. the receiver or consumer. The latter receives, in case reception actually occurs, the advertising message via the advertising channel.

Stage V: Perceived message

At the perception stage, the tangible advertisement transmission accompanies the actual advertisement treatment. The latter, because it is linked to the cognition system, can be complex. The equality symbol (=) in Figure 12, above, indicates that the advertiser hopes that the consumer receives the message and comprehends it as intended, conceived, and transmitted. In general, the clearer the message, the better and the faster consumers comprehend it.

Stage VI: Reactions or responses

The reaction stage includes any ensuing ideas or behaviors consumers may adopt in the aftermath of the advertising act. The perfect communication system is realized if the consumer's reactions and responses correspond to the goals defined at Stage I, above. This is represented by the equality symbol (=) in Figure 12, above. Response assessment is done by measuring sale rise following the advertisement. Sale rise takes place when positive ideas develop towards the advertising message and when consumer behavior reflects those ideas in product purchase.

8.2.2.4. Communication system in practice [20]

Advertisers encounter communication conditions that are inconsistent with the theoretical model, above. This represents a big problem. Advertisers are keen to make their message reach the largest number of receivers and future consumers, while increasing profit and reducing each individual's share of the fixed charges on the advertisement. Yet, reality is different. A single advertisement does not achieve complete success among a large audience whose members vary in terms of level, interest, and type. What may be very attractive for a family member may not have the same degree of attraction for another. It may even be judged as a bad advertisement. Attempts to win over a maximum number of consumers through one advertisement may be unrewarding. Market segmentation has, therefore, a great importance. Here, the marketer

divides the prospective consumers into relatively sizable sub-groups, where each group shares certain characteristics, like age or social class. These divisions make it possible for the marketer to introduce product specifications that suit the segmentation he has made, and allows him to reach each group in a more effective way.

Although advertisement variation, which suits the different market sectors, may be very effective, lacunae remain. That may justify the ideal communication system. These lacunae include:

(a) The advertising strategy may fail to achieve the goals of the advertising campaign. There are three possible causes (i) unrealistic goals, (ii) unclear goals, and (iii) ineffective strategies or advertising messages.

(b) A second misgiving can result from the thousands of tactical decisions an effective advertising campaign requires. Consequently, some mistakes are bound to creep in this huge enterprise. Mistakes may appear in the advertisement itself or in its inadequacy to the campaign's goals.

(c) A third misgiving may be in the concrete transfer of the intended advertisement. The latter may divert from its original aims. Some technical mistakes, such as the choice of colors or sounds, may affect the advertisement's features. The advertisement may fail to reach its target; the consumer may be busy or involved in other activities. The most effective remedy for this problem may consist in advertisement repetition.

(d) The consumer may misperceive the message the advertiser has designed. It is important that the consumer understands the language of the message and its symbols. The consumer's interest in the advertised product affects his concentration on and perception of the advertisement. Finally, consumers' interpretations of the message depend on their previous experience and relevant background knowledge.

(e) There is the likelihood that the advertising message fails to achieve the expected reaction that the advertiser was seeking.

For the advertising message to lead to the anticipated behavior, the following have to take place:

(i) The consumer stores the transmitted message and may be able to retrieve it completely or partially from memory. This depends largely on the effect of the message on the consumer.

(ii) The advertisement succeeds in having a strong positive effect on the consumer and in winning him over. An advertisement may trigger its recipient's memory of another product that won him over.

Rival products play a significant role in directing the consumer's behavior against an advertiser's desire. Also, many advertising attempts intended to motivate a consumer to buy a product requiring a change in his purchase habits may fail, unless strong effective techniques are used; consumers often defend their habits and personal convictions. Therefore, any advertisement of new products, especially those that require a change in the individual's purchasing and consuming habits, must contain an educational program that helps the potential consumer to use or consume the new product..

Advertisers have to reduce all the aforementioned problems to a minimum. They also have to take them into consideration when planning advertising campaigns. This helps make campaigns as realistic as possible and tackle possible obstacles.

8.2.2.5. Sales promotion's mounting role

One single display of an advertisement has little impact on viewers. Advertisement repetition over a given period allows for building up a long-term effect. In some cases, however, a rapid effect on the consumer is needed. Marketers resort in this context to a different

method, called sales promotion. Sales promotion can be defined as doing various activities to invigorate, distribute and market a particular project's goods and services. As a kind of non-personal selling, it aims essentially at increasing sales in the short run within given boundaries in a given geographical area.[21]

Sales promotion contributes to the rapid prosperity of the successful firm. It is a reliable means to measure the producer's capability. Sales promotion includes "fairs, sampling, sales coupons, sales gifts, catalogues and promotion offers."[22]

Consumers often think that they have the right to sales promotion. They do not value the additional expenses companies incur, but think that, because they have been paying the original price for products all along, they are entitled to those sales promotions. Consumers may even refuse to buy products at their original price. They wait for gifts, reductions, and coupons.

To influence the consumer in the most efficient and cost-effective way, marketers have to choose between: (i) relying on the advertisement as a long-term method, or (ii) on sales promotion as a short-term method. Sales promotion is closely dependent on the cooperation between advertising and personal selling; all this aims at raising consumer demand and improving overall marketing.[23]

Thus, it can be said that it is the role of the whole promotion program (advertisement, personal selling, sales promotion, etc. with its products, price policies, and promotion means and distribution methods) is not only important but also essential in influencing consumer behavior. If a product is deficient, no advertising campaign, whatever its sophistication level may be, will succeed in persuading customers to buy it. If a product is excessively expensive, no advertisement, whatever its power and effectiveness, can stand the chance of attracting consumers.

Consumer characteristics play a significant role in responding to advertisements. Personality traits, education level, and the

individual's culture determine the degree of influence advertising has on consumers. For example, "The more knowledgeable the individuals are, the more objective their views towards advertised objects, and the less influence advertising has on their purchase decisions."[24]

As stated earlier in this work, advertisements affect women more than men. Also, age plays an important role in this respect. Some studies show that advertisements have more influence on women and children.[25]

The role of advertising increases in facing personal selling with regard to the kind of goods and services. Advertisement has a much significant role and effect as far as consumer products are concerned, while personal selling gains in significance over advertising when it comes to industrial products and services.

In conclusion, advertising has a great impact on consumer behavior. It is thanks to advertising that most products and brands make high profits. That is why giant companies around the globe depend on it.

8.3 Product

8.3.1. Definition and Dimensions

A product is that which has certain characteristics that make it satisfy a particular need of an individual, a group or an organization, and it is, therefore, marketable.[26] Thus, the product is either (a) a good, with specific concrete characteristics, or (b) a service that joins together concrete and non-concrete dimensions.

Every product has three dimensions [27]:

(a) Technical dimension

The technical dimension refers to the product's ability to perform certain functions. The function can be mechanical, as in the case of a car, a fridge, or a computer. It can be chemical, as in the case of medication, food, or detergents. Company experts determine the technical structure of such products and their respective functions.

(b) Performance dimension

It is the product's capacity to fulfill the function or functions it has been conceived for, e.g. the car's transportation ability, the fridge's ability to maintain a low temperature, and the computer's information processing or calculation capacity.

(c) Shape dimension

Shape is related to the product's external appearance, which may or may not have a role in the performance dimension. A product's shape often fulfills psychological or social needs. A car's external shape satisfies a psychological need, and has important social significations for the consumer.

8.3.2. Product Classifications[28]

In addition to the aforementioned product distinction between goods and services, there is another distinction based on the benefits a product offers to the consumer:

(1) Consumer goods

These products concern the last person in the marketing chain, i.e. the person who buys the product in order to satisfy his own needs or family needs. Consumer goods, themselves, include season goods, shopping goods, and luxury goods.

(2) Industrial goods

Industrial goods are products, which are bought to be sold or manufactured for a profit.

However, products are neither consumer products nor industrial products by nature. One may buy a sugar bag for home use; this makes the sugar a consumer good. One may buy a ton of sugar in order to make sweets; here sugar becomes a manufacture good. What applies to the sweets producer applies to the merchant who buys a ton of sugar to re-sell it, or the government, which buys sugar for its citizens' consumption in schools, hospitals, or for the army. The distinction here is between markets and consumers. A purchaser may be a final consumer, or a link in the market-chain or the manufacture-chain.

Another product distinction is worth mentioning here. The product's duration for consumption is at the basis of this distinction. Products are classified as non-perishable, long-lasting products and perishable products [29]. A soft drink is a perishable product, while the fridge is a non-perishable product that preserves perishable products.

Personal computers may be categorized, along the definition above, as durable or non-perishable consumer goods when families and individuals buy them for home use. When companies, institutions, or organizations purchase computers, the computers become

manufacture goods. Computers are also shopping goods. Shopping goods are those products which the consumer buys after having gathered, analyzed, and compared information. Consumers look for the best available alternatives and seek to make the best gains.

8.3.3. Product mix

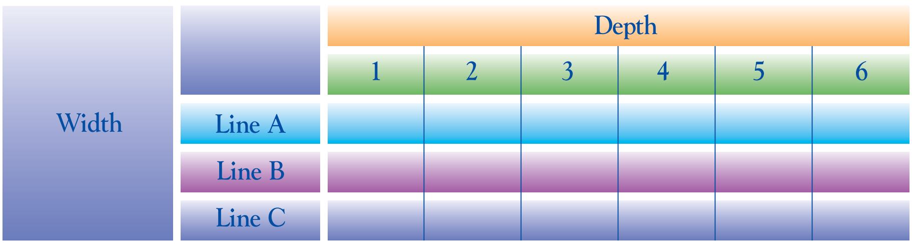
A product mix is a group of products that a company decides to offer on the market. Every company defines its objectives when deciding on the product mix. This is done on the bases of how the company perceives its existence, its growth, and market competition prospects. Some companies prefer to specialize in one product, while others prefer to vary their products. Specialization provides product characteristics and performance improvement potential. It also enables the company to offer consumers high quality services. Product variation attracts different customers, achieves complementarities in satisfying their needs, and saves them time. The choice of specialization or variation (mix) is a matter of strategy that may go back to the early days of the institution or may take place at a given stage of its history.

Product mix has two dimensions:

(a) The width dimension refers to the number of products in the mix, where every product is called a product line.

(b) The depth dimension refers to type, shape, and color variation in every product line, where every product is called an item.

Figure 13
Product mix dimensions



Through time, product mix dimensions witness additions and retractions, depending on customer's needs change, competition strength, and industrial progress. In the case of personal computers, one may mention the receding supremacy of giant machines and the spread of smaller computers in the market. This is a result of technological progress and the growing appeal small computers have for personal use. Furthermore, the fast speed at which the computer programming industry is progressing and its ability to link computers together have contributed to radical changes in the computer market. All this has made the product mix that companies offer today very different from before.

8.3.4. Product brand decision

Like a newborn baby, when a new product comes to existence, it needs a name that distinguishes it from its peers. The brand for a given product may be a name, a symbol, a design, or a combination of the three. Brand distinction has many advantages; it eases product promotion, fosters customer loyalty, and facilitates product storage, transportation, and display. For the consumer, the brand becomes a source of information that allows him to differentiate between products. It may even be the sole criterion he applies to compare the quality of products unknown to him. It spares the consumer time and energy when he does his shopping. Branding encourages producers to compete in order to improve the quality of their products, and build up the best image in the minds of their clients. Indeed, some personal computer brands win their market share and enjoy a good reputation among customers. This is due to an established mental association that has developed between the brand and the high technological quality of the product itself. IBM is a case in point. A trademark or a brand name is a private legal right that preserves the right for production and promotion and denies others the use of that right.

8.3.5. Product Development

Product development is the act of launching a new product in the market or introducing significant improvements on an existing product by modifying its characteristics. Product development

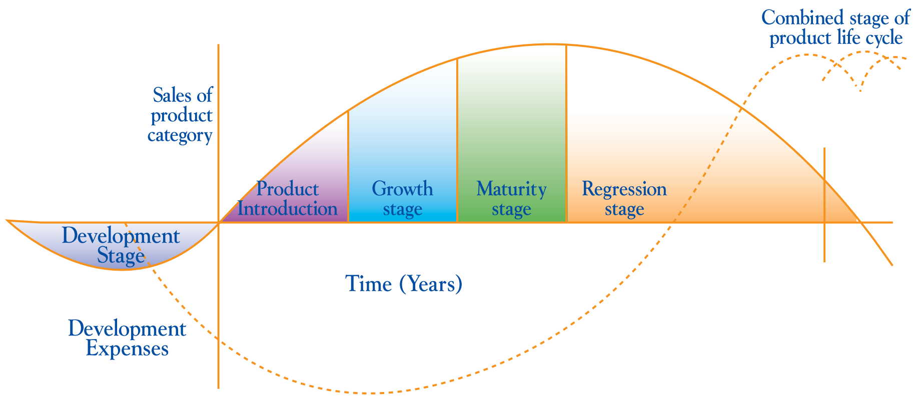
derives from (i) the need to ensure better consumer satisfaction, (ii) competition for customers among producers, and (iii) the need to avoid price competition. The latter ensues from consumers' feeling that rival products do not have any significant difference.

The consumer and his needs are central to the product development process; product designers' ingenuity is not enough. Many a time, these wizards produce an artistically outstanding design, which turns into a marketing catastrophe, because they overlooked the consumer's needs, capacities, and circumstances. One should not wonder why new products' failure rate ranges from 33% to 98% in the market. [30]

8.3.6 Product Life Cycle (PLC)

The need for product development has largely to do with what is called product life cycle (PLC). Market products have a life cycle similar to that of humans. It starts with birth, then growth, then maturity, then old age, and then extinction. Because every product ends by leaving the market if it reaches "old age", it is necessary to rejuvenate it from time to time. This is achieved through improving it, or by exchanging it for a new product that meets the same needs. Figure 14, below, represents the product life cycle and stresses the importance of product revitalizing research.

Figure 14
Product life cycle



The development stage contains sub-stages:

1. The development stage

a- Gathering and short-listing ideas from various internal and external sources for development.

b- Selecting the potential idea for development, and building prototypes to be tested from the technical and marketing aspects.[31]

This is an expensive stage; it requires financial, technical, and administrative resources.

2. The Introduction stage

The product is introduced to the market and is supported by a marketing strategy. The product's success depends largely on the promotion and pricing operations that come with it. In the case of consumer products, e.g. food products, advertising and trial campaigns may accompany the product. In the case of industrial products, accompanying promotion operations organized in some strategic locations may include demonstrations and experimentations of the product's performance.

As for the product's pricing, the producer may choose one of these two options:

a- Skimming: the producer opts for a high price and targets a high income category of consumers. Then he lowers the price progressively to sell his product to those who have a lower income.

b- Penetration: the producer sells his product at an accessible price for most social categories. This makes other competitors' task extremely difficult and may even prevent them from entering the market.

3. The Growth stage

At this stage, the sales rate of the new product increases substantially, and competitors start to emerge, providing rival alternatives, which compete strongly for gaining a large stake of the market. At this stage, advertising focuses on the advantages of a particular brand in comparison with its rivals.

4. The Maturity stage

The maturity stage is reached when (i) the majority of customers have tried the product and got used to it, or (ii) the sale growth has become very slow because of market saturation. More reminding advertisement and price reductions may be needed at this stage to maintain customer loyalty and a high sale rate.

5. The Regression stage

At the regression stage of the product's life cycle, due to technological and needs developments, a large number of consumers move to alternative products and adopt new consumer patterns. Sales start to fall systematically, and the product ceases to yield profits. If the producer failed to implement a life cycle extension, the product's departure from the market becomes imminent.

8.4 Price

Price is crucial for any marketing activity. It is important for the consumer, the manufacturer, the marketer and the government. There are two components in the consumer's equation: price and product rewards. That is why consumers try to pay less for the rewards the product offers. Furthermore, both producer and marketer use the price as a weapon in competition. When products' rewards, promotion efforts, and services are equal, price becomes competitors' sharpest weapon. It is through price that market shares are determined for large market poles. The government may intervene to control prices and protect the weaker party, i.e. the consumer. The government itself may need to price some of the services it sells.

8.4.1 Price and Company Behavior

Price has till recently been the index that measures demand. That was logical when products' qualities were similar at the levels of shape and performance. But, modern marketing has given many firms the chance to avoid price competition, which means that winning any larger market share depends on price reduction. It is possible that price competition, in the event of a product's identical characteristics, forces competitors to organize their competition, or even join organizations, as in the case of the Organization of Petroleum Exporting Countries (OPEC). In fact, many companies avoid competition by introducing certain differentiations among identical products to lure consumers.(32) Nowadays, difference in quality has become a requisite to justify price difference. This poses a clear problem for the technologically mature industry, because quality difference between products is often lacking, i.e. there is nothing to offer in terms of the products' performance or its basic

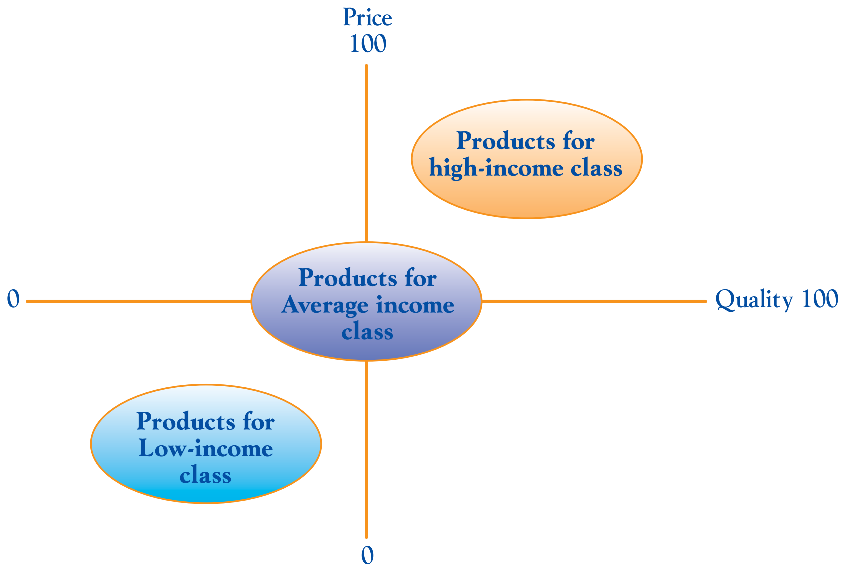
needs' satisfaction. Therefore, marketers have resorted to tricks, such as styling or changing the product's shape, adopting clearly distinct features for the product, and reshaping it so that it becomes a fashion product. The latter trick is obvious in the car industry and clothes industry. New car models appear annually while new clothes models appear quarterly, i.e. at every new season.

Marketers also resort to a multiplicity of advertisements and other promotion techniques in order to produce a strong mental image of the product rather than superficial differential characteristics in consumers' minds. This leads to fairs organization, sales agents training, and the discovery of additional services, like home delivery, information providing, customer training, and deferred payment. All this is done to obtain higher prices, and to escape from the price competition dead-end.

8.4.2 Price and Consumer Division

Price divides consumers into various categories. There are those who can afford it and there are those who cannot. Some markets differ from one another, even when it comes to the same product. There are markets for the high-income class (who can afford high prices), markets for the middle-class (who can afford average prices); and markets for the low-income class (who can afford only low prices). One may claim that some companies grade their products into different levels of quality and price to offer each class what it aspires to acquire within its financial limitations, as Figure 15, below, indicates.

Figure 15
Market division according to price and quality



8.4.3. Pricing Mechanisms

Pricing goes through the following stages:

1. Preliminary investigation

Prior to any pricing, firms investigate their own strategic position because price is an obvious weapon for the consumer and the competitor, as well as other influential parties in the market. Factors like the firm's position in the market, its market share, and its history are taken into consideration. This allows for the adoption of the appropriate strategy to launch an advertising campaign and to ward off possible fierce competition. The firm may choose to sell its products only to the rich. It may opt for the skimming strategy or the penetration strategy. In conclusion, it is worth saying that firms have to be cautious when making their choices so that they can avoid any detrimental consequences.[33]

The present study includes a thorough consumer analysis. It analyses types of consumers, (i.e. those of consumer goods or industrial goods), their financial power (high, medium, or low), and their social and economic backgrounds that determine their behavior. The study also includes a thorough analysis of competition; it focuses on whether competition is direct (i.e. between two brands of the same make, e.g. Dell and IBM) or indirect (i.e. between alternatives, e.g. PCs, mobile phones). It is important for the firm to know the competitors' schemes and degrees of marketing mix in order to identify its opponents' strengths and weaknesses. Finally, the study covers the market's other forces, e.g. brokers, relevant government agencies, and even consumer protection organizations and the mass media.

2. Pricing and marketing mix

A firm has to set the relationship between the price that it fixes and the marketing mix, in order to better its competitiveness. It is a fact that market forces are not influenced by particular sectors in the marketing mix; the consumer's decisions, for instance, reflect that mix, and competitors plan their reactions in the light of the strength of the product that the firm offers. The repercussions of any mix extend to brokers and other market forces.

The components of the marketing mix, including price, product, dissemination, and promotion, are competition weapons and represent ways of attracting consumers. The more the mix is balanced, the more it ensures the firm's relative strength in facing competition, and the more it appeals to consumers. It is inconceivable for a firm to set a high price for low-quality products, or in the absence of an adequate dissemination or promotion.

3. Pricing methods

A firm may price a product in different ways; some methods are traditional and some are modern.

1. Traditional methods include:

a. The cost method, which is the addition of a certain benefit to the product cost.

b. The competition chase method is to set the price that corresponds to the firm's performance on the market in the light of the ups-and-downs of competition. In other words, "the product's price is set outside the firm and not inside it."[34]

2. Modern methods include:

a. Profit pricing is when the firm sets the price that secures for the firm the highest possible profit margin.

b. Market stake pricing is when the firm sets the price that defeats rival products and secures the largest stake for itself in the market.

c. Differential pricing [35] is when the firm recovers a portion of the product cost (i.e. its additional cost), to achieve strategic goals, e.g. to eliminate its competitors, to face up to market stagnation or crises, or to offer jobs to the unemployed.

In general, pricing requires the efforts of the firm's various sectors., which can be technical, financial, promotional or administrative.

8.4.4 Price Adjustment

Firms may find it necessary to raise or lower prices in response to the market situation (prosperity or stagnation) and in the light of the reactions of competitors, consumers, brokers, etc. If the firm takes the price adjustment initiative, it has to study foreseeable reactions, to avoid undesirable consequences. If firm is reacting to other forces in the market, it has to make sure that the reaction is proportional and enables it to achieve its aims.

8.4.5 Discount [36]

Firms offer various discounts as common practice. They also offer discounts to achieve specific marketing goals. Types of discount include:

a. Trade discount

Trade discount is for traders only; it is in exchange for undertaking marketing functions on behalf of the producer. This is why trade discount is sometimes referred to as functional discount.

b. Cash discount

Cash discount accelerates payment and increases cash flow rate and capital in the firm.

c. Quantity discount

Firms use this method to encourage consumers to purchase larger quantities of products. Quantity discount aims at increasing the firm's market share and product circulation. It is offered at each sale exchange or on a number of sale exchanges over a fixed period.

d. Seasonal discount

Seasonal discounts are suitable clearances or occasions. Firms rely on seasonal sales to dispose of current products or to recover some capital that they may lose.

e. Promotional discount

Producers offer distributors promotional discounts in exchange of particular promotional or stimulating activities, such as product advertisement or fair organization.

8.4.6 Product Mix Pricing [37]

Some firms may resort to establishing a link at the level of pricing between products that complement one another. Firms have

different policies that go from selling the basic product at a high price and its accessories, or spare parts, at a lower price, or vice versa. Firms may offer a product at an attractive price, but offer other items that consumers buy in succession at profitable prices. The aim behind product mix pricing is to raise the firm's profit revenues.

Supermarkets and malls may apply the policy delineated above. They may place on offer a product that enjoys a high level of attractiveness for consumers at a low price while placing a high price on other accessories and spare parts that are needed for the same product. Profit is what institutions seek. To achieve their aim, they have to contrive logical scenarios to avoid long term adverse effects on the competitive position of the firm.

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(30) Ibid., p. 337.

(31) Hassan, S. A., *Marketing: Principles and Strategies,* op. cit., pp. 158-159.

(32) Ibid., p. 195.

(33) Ibid., p. 196.

(34) Ibid., p. 200.

(35) Ibid., p. 205.

(36) Marn, M. V. and Rosiello, R. L., "Managing Price Gaining Profit," *Harvard Business Review,* Sept.-Oct. 1992, pp. 84-94.

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Chapter 9

Implications of Studying the Saudi Family's PC Purchase Decision

Chapter Topics

Implications of Studying the Saudi Family's PC Purchase Decision

This chapter deals with the academic and practical implications of the Saudi family's decision to buy a PC. It also analyzes the attitudes and behavior of the Saudi family, when buying a PC. The analysis includes the following aspects:

- the diffusion rate of the PC in Saudi families;
- favorite PC brands;
- how the family views the advantages of owning a PC;
- PC ownership motives;
- the intensiveness of PC use at home;
- technological change impact on the speed of purchase decision-making;
- the time and the effort the family puts into the pre-purchase phase;
- sales-outlets the family visits for purchasing;
- the roles of salespersons at sales-outlets;
- the major difficulties of the purchase process;
- the Saudi family's attitude towards innovativeness and opinion leadership; and
- the relative roles played by the family members throughout the phases of the purchasing process.

9.1 Scientific Implications of Studying the Saudi Family's PC Purchase Decision

The study of the Saudi family's decision to buy a PC is considered of great importance from a consumer behavior perspective. At the professional level, the study has indispensable implications for marketing practitioners. It is generally agreed that focus on the family in this context is of great significance since the family model, as a consumer unit, has its peculiar characteristics and technical complexities. Also, the choice of the Saudi family as a research sample reflects the significance of social and psychological aspects as well as cultural peculiarities in this important field.

9.1.1 Diffusion of PCs in Saudi Households

The use rate of PCs in average and high income Saudi families is approximately 75% (Figure 16): one third of them owns more than one PC for domestic use (Figure 17). The other two thirds are keen to acquire well-known trademark computers, like IBM, HP, Dell, and Compaq (Figure 18) as an indication of their adherence to specific quality standards and avoidance of the risk of buying unknown brand computers. Also,

Figure (16)
PC diffusion rate in Saudi families

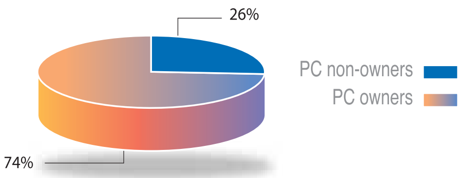


Figure (17)
Percentage of Saudi families according to number of PCs owned

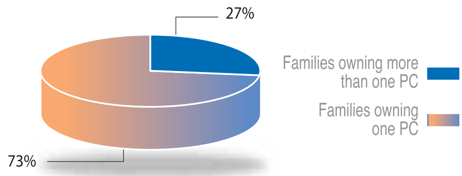


Figure (18)
Most important PC trademarks in Saudi households ranked according to diffusion

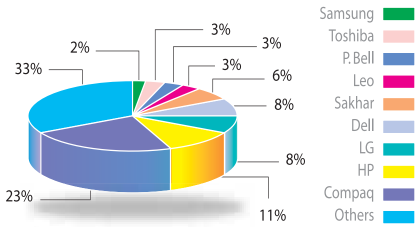


Figure (19)
Distribution of PCs in Saudi families
according to processor speed

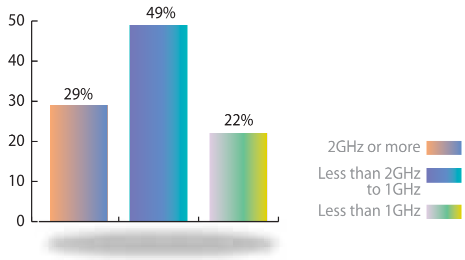


Figure (20)
PC time diffusion rate
in Saudi households
(Period of ownership)

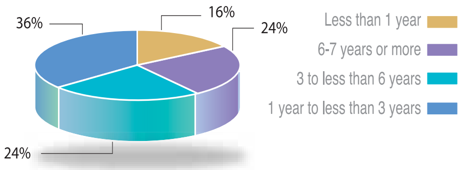
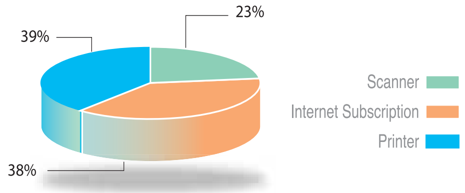


Figure (21)
Most important PC peripherals
owned by Saudi families



one third is keen to upgrade their system capabilities in order to keep up with latest developments (Figure 19). The results indicate that families keep their personal computer for five years in average (Figure 20). Twenty-five percent of the families keep their PC for over five years. At the same time, four out of five Saudi families have added printers to their personal computers and established Internet connections, and half of them have acquired scanners (Figure 21). Approximately, 70% of families who do not own a personal computer are expected to own one within a year.

Demographic factors affect the time span of retaining a PC in a Saudi Family. These factors, with the exception of family size and spouse job-type, have a strong bearing on the initiative to buy a PC. One remarkable observation the study has revealed is that the more educated parents are and the higher their income is, the more likely they are to acquire a PC. This observation seems to apply more to families in the Eastern and Western Provinces than to those in the Northern and Central Provinces.

Results also indicate that PC owners differ dramatically in their demographic qualities from non-owners ($p<0.03$). Owner families

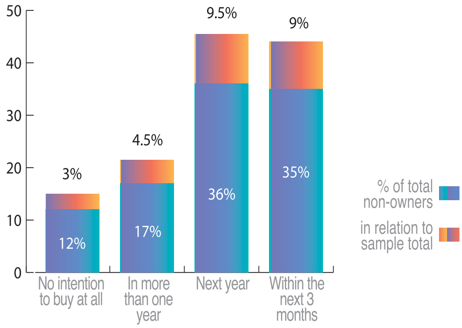
tend to be residing in villas in the Western, Eastern and Central Provinces. They are high income, small to medium-sized families where the wives enjoy more opportunities of employment. Husbands are normally middle-aged (35-45) and possibly professionals or businessmen. The study has revealed clearly that the most significant demographic factors that determine PC ownership are income, education, type of residence and family size.

The tendencies of multi-PC owners are influenced by their demographic background ($p<0.05$). Material and educational superiority is a discriminating variable in this respect. Multi-PC owners are mostly small size families living in villas in the Central Region and enjoy high incomes. Fathers in these families are of average age holding graduate and postgraduate degrees. Wives in these families often hold jobs outside their houses. Income, family size and type of residence have been found to be the most influential demographic variables that explain variance between owners of multi PCs and owners of a single PC.

Families who are keen to upgrade their PCs capacity or speed differ demographically with regard to family size. Large families are relatively keener on expanding their PC system capabilities. Such families normally enjoy higher incomes and live in larger houses.

The attitude of families, which are yet to purchase a PC, is highly dependent on their demographic background. It has been found that such an attitude is primarily affected by family size, together with the financial capability and the educational level of the parents (Figure 22). Some

Figure (22)
Probability of change of PC non-owner households to future owners



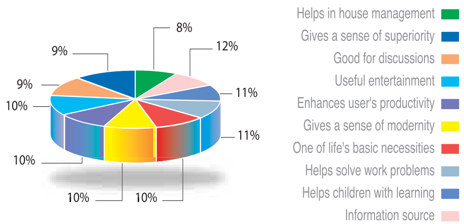
significant differences exist within the non-owners category. Potential buyers (within one year) have a positive attitude towards the product as compared to those who do not intend to buy a PC soon. Families who are in the process of making plans to buy a PC in the near future consider the PC instrumental in solving their work problems, planning family expenses, helping with children's education, providing a source of information, and being an incentive for distinction and high productivity. They even regard it as a necessity, contrary to the other category, which is viewed as an unjustified investment, a source of problems, and a technology that benefits only professionals and businessmen.

Families expected to buy PCs soon due to high involvement in the purchase process are very much aware of the importance of: quality, specifications, trade mark, sale terms and conditions, after sale services, retail store, and salesmen approaches.

9.1.2 Attitude towards the Advantages of PC Ownership

Studies conducted by scholars, such as Bolter, indicate that the introduction of PC to houses represents a re-structure of life pattern in the household. The present study confirms this proposition. The majority of the subjects studied believe in the utility of the PC as an important means of obtaining information (Figure 23). They also believe in the role the PC plays in children education, solving work problems, increasing productivity, and assisting in household activities. The subjects also regard it as a means of entertainment that enhances debate among family members. However, the negative attitude towards the PC, as shown in the study findings, is based on the assumption that it wastes time

Figure (23)
Positive attitude towards having a PC at home

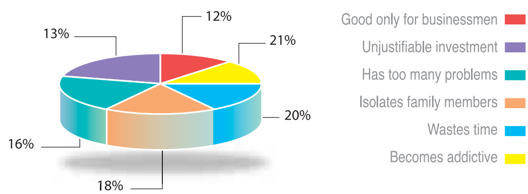


and secludes family members and makes them less interested in practicing sports.

Even though the majority of the study sample believes in the utility of the PC and maintains a positive view of the useful functions it can perform at home, positions vary from one family to another according to the demographic background. Results show that family positions are highly affected by such factors as region, family income, and level of parents' education and occupation.

Positive attitude towards this product as being a means to solve work problems depends on family income, type of residence and wife's education. As an important means of information, the PC is positively associated with income and father's qualification. However, its use as a means of entertainment is associated with factors like cultural background, income and family size. Families that live in big houses, where wives hold high degrees - compared to uneducated mothers who are members of small families - take into consideration the negative effects of owning a PC. They consider it a potential time-waster (Figure 24). Perceiving the PC as an unjustified investment is lower in the case of high income and small size families. In the case of families where wives are working women, they are less likely to perceive or consider PC addictive.

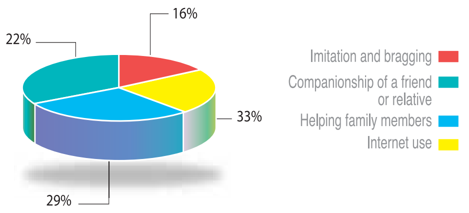
Figure (24)
Negative attitude towards having a PC at home



9.1.3 PC Ownership Motives

The most significant motives that encourage Saudi families to possess a PC include the widespread use of the Internet, need for information, use of e-mail, use for educational purposes, work task accomplishment, and entertainment. These are pragmatic economic motives of great significance. Second in importance come psychological motives, such as bragging and pride, imitation

Figure (25)
Percentages of motives for having a PC at home



of others, and keeping pace with the social class of the family concerned (Figure 25).

The above motives depend on the family's demographic background. Furthermore, high income and father qualifications enhance the need for the PC, particularly in the case of working wives. In addition, the introduction of the Internet, and the use of e-mail are significant motives in the case of high income and small sized families.

9.1.4 Purchase Decision Factors

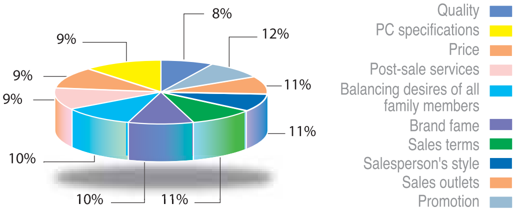
1. Constant Specification Developments

The majority of Saudi families realize the impact of rapid technological change on the PC purchase decision time. Taking one's time in making the PC purchase decision brings about benefits to the buyer. These may be at the following levels: speed, memory capacity, size, weight, and even price.

2. Purchase Decision Motives

The purchase decision is affected by two sets of motives: personal and external. The personal motives are particularly manifest in reconciling the conflicting wants of family members and in the absence of previous experience in purchasing a PC. The most important external motives are particularly manifest in quality, price, trust in the retail store, sale terms and conditions, salesperson's conduct, and marketing incentives, such as advertising, discounts, and bonus gifts (Figure 26).

Figure (26)
Percentages expressing the importance of general reasons for PC purchase



Evidently, families differ in perceiving the above factors according to their demographic backgrounds, let alone the variables of income, family size, father's age and occupation. Income and father's age account for the income variable. Low income, together with young age, makes price a significant variable in the purchase of a specific PC. High income makes quality significant among small size families living in the Western and Southern Provinces.

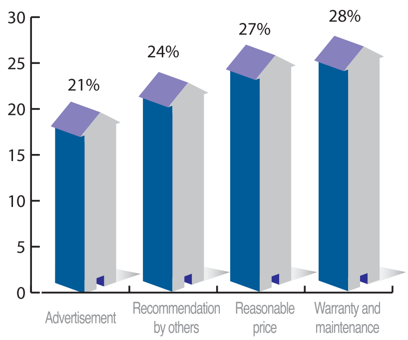
The significance of the brand/trademark is emphasized in the case of fathers who are young businessmen in large households. Residents of small and medium size households are more concerned about the PC specifications, while the post-purchase services are greatly emphasized by high income, small size families.

The salesperson's conduct is of significance to small size families with uneducated mothers. Residents of the Central and Northern Provinces, as well as low income population, reflect the influence of advertising. Young, uneducated fathers are also greatly interested in the bonus gifts and discounts offered by retail stores.

A. Preference of Specific Trade Marks or Specifications

The findings of the present study indicate that the Saudi family shows rationality in preferring particular trademarks and specifications to others. In this regard, technical and economic motives, such as reasonable price, guarantee and maintenance services are more important than social motives, which include friends, relatives, and the trademark prestige (Figure 27).

Figure (27)
Percentages expressing reasons for selecting a particular PC trademark



Preference of specific brands or specifications is influenced by certain demographic variables. A purchase recommended by a specialist is positively associated with income.

Also, previous experience is related to the father's education, wife's employment and accommodation type. Also, friends and colleagues' recommendations are negatively related to the father's level of education, while a wife's employment implies more concern about privileges, such as guarantee and maintenance offered by vendors.

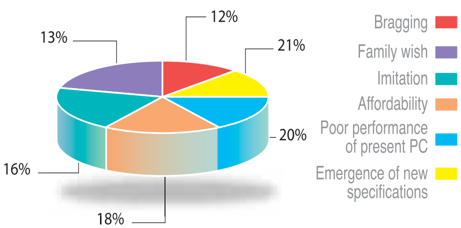
B. Preference of Specific Sales Outlets

The most important reasons for selecting a particular sales outlet when buying a PC are mainly related to post-purchase services, the good conduct of the salesperson, previous experience with the outlet, and prices. These variables are greatly consistent with the Saudi family motives to own a PC and the obstacles they face in the purchase process. The present study indicates that the preferred traditional PC sales outlet is the specialized agent and the department store.

C. PC Replacement

The purchase decision may not necessarily be for a new PC, but merely for upgrading a present one. The reasons that mostly motivate the Saudi family to upgrade their PC are new releases of hardware and / or software and the incompatibility of the existing system with new task requirements. In addition, the family should be able to afford the costs of upgrading. These objective reasons are considered more important than social motives, such as bragging and imitation (Figure 28).

Figure (28)
Percentages expressing reasons for home PC replacement



The difference in recognizing these reasons lies in particular in the demographic background of the family. Replacement due to new specifications depends on

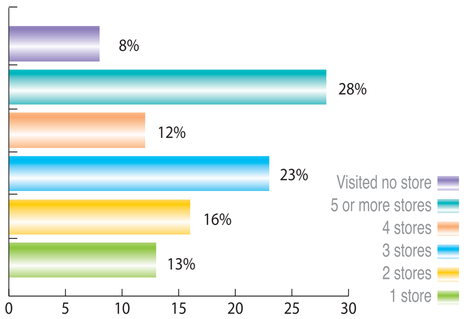
parents' education and spouse's employment type. As for affording the costs of PC upgrading, it is related to such factors as family size, father's age and spouse employment. Recognition of the system malfunctioning is related to spouse education and employment. Imitation of others is influenced by all the factors mentioned above, except geographical location and father's age. As for the family's general reasons for exchanging a PC, they are related to such factors as geographical area and spouse occupation.

It should be noted that the impact of these variables is not equal since the income variable explains more some social motives associated with PC upgrading such as imitation and bragging as in the case of low income population.

Rational motives for changing computers, such as the introduction of new systems, are largely influenced by the mother's employment. The capability to afford a PC replacement seems higher among small size families. The family desire to replace a PC appears higher among families where the father has a profession or a business, and the mother is employed.

9.1.5 Pre-Purchase Activities

Figure (29)
Number of stores the consumer visited when shopping for the PC



The technical complexity of the product as a durable commodity that represents a highly important asset drives the Saudi family to take some logical steps before buying (Figure 29):

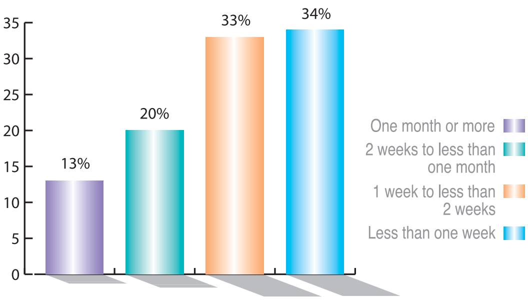
a. The Saudi family visits 3-4 showrooms prior to the purchase process to get the best offer as to specification, price and terms of payment. This reflects a high sense of risk-taking.

b. The Saudi family takes a period of one to two weeks in the

search and selection process before taking the purchase decision. Some families may take more time (Figure 30).

c. The retail stores which Saudi families visit are primarily professional distributors and specialist departments in department stores.

Figure (30)
The time spent on search and selection activities when buying a PC

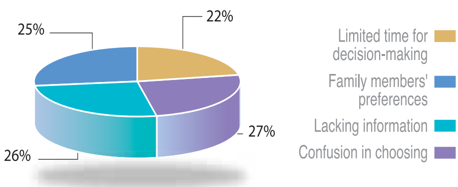


Furthermore, concern about collecting more information through visits to as many showrooms as possible and proceeding painstakingly through the selection process is influenced by variables like geographic area, income, spouse job, and husband qualifications. The husband's high education level often results in further visits to showrooms.

9.1.6 Difficulties Faced during the Purchase Process

The most significant hurdles associated with the decision process among the Saudi family include hesitation as to the choice of the proper computer configurations and the need for more information to make the appropriate decision (Figure 31). Then comes the hesitation as to which brand to choose and the fear that a more sophisticated system might be in the making. Families also lack proper technical guidance that allows them to reach a decision, especially when those families have limited experience in the field. As for subjective obstacles, they are related to the difficulty in satisfying family members' desires and the feeling of time pressure to make decisions.

Figure (31)
Scale of difficulties faced during PC purchase

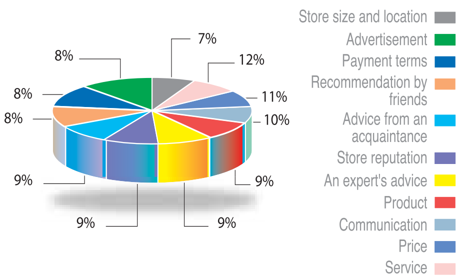


Awareness of the above obstacles is related to the demographic background of the family, including type of residence, wife employment, income, and family size. Families with wives holding government or private sector jobs undergo some confusion and hesitation due to the technological changes in addition to the insufficient help on the part of the salesperson and the time limit to take the purchase decision. Family members of businessmen and professionals feel that their desires are difficult to reconcile within a limited time for decision-making. Fathers, with a modest education level, complain about not receiving proper technical advice and feel they lack experience in purchasing computers.

9.1.7 Sales Outlet Preference Motives

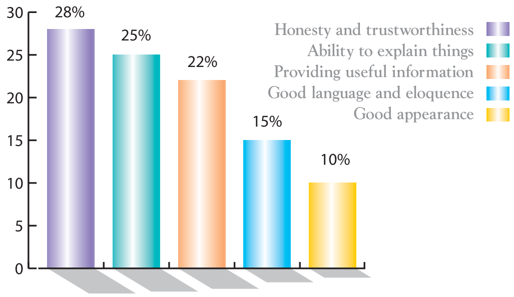
Once the Saudi family enters the next phase in the purchase process, it gives preference to the sales outlet that offers a good post-purchase service and reasonable prices, as well as to the salesperson's expertise and good behavior. These results are consistent with the findings on the obstacles the family faces in the purchase process and the need for assistance in taking the proper decision. Families have been found to prefer the renowned outlets recommended by professionals and friends, whereas other factors such as location vicinity, terms of payment and advertising have some significance still (Figure 32).

Figure (32)
Percentages expressing reasons for particular outlet preference



Included in the preference process is the role the salesman plays in recognizing the customer's needs and assisting him to take the appropriate decision. The additional information the salesman provides is decisive since it may lead to the selection of a specific trademark. Accordingly, buyers attach high importance to the salesperson's qualities like

Figure (33)
Sales agent's personality traits valued by consumers



tactfulness, eloquence, well-informedness, honesty and integrity (Figure 33).

The demographic background of the concerned families influences preference of the sales outlet in the Saudi society. Factors like the geographic area, residence type, income, parents' education, and wife employment affect the customer's selection of a specific vendor on the basis of familiarity. At the same time, the type of residence, geographic area and father's job are associated with the choice of a specific sales-outlet on the basis of its proximity to family residence. In addition, the geographic area, father qualifications and type of wife employment play an important role in selecting the outlet that offers a wide variety of products at reasonable price.

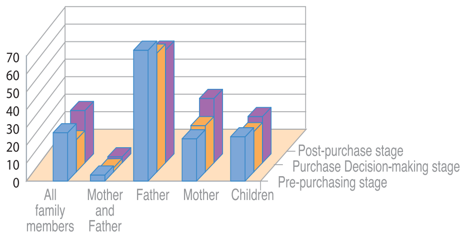
The findings of the present study also point out that some demographic variables, especially income, type of residence, geographic area, family size, father's qualifications and type of wife employment, explicate the above differences more than others. Of all these variables, income and wife employment are the most significant. Making a purchase decision on the basis of familiarity with a specific outlet is significantly associated with father's age and education, contrary to making that decision on price basis. Low income families prefer the installment sale system. The post-purchase service effect was found to be associated with income and wife employment factors.

9.1.8 The Contribution of Family Members to the Purchase Decision

The relative roles played by the different family members in the PC purchase decision depend on the demographic background of the

family (Figure 34). All variables, except for the type of residence, area, and income have an impact on the incongruity of these roles from one family to the other. They include family size, parents' education, mother's employment, and occupation and age of father.

Figure (34)
Percentages of each family member's role during purchase stages



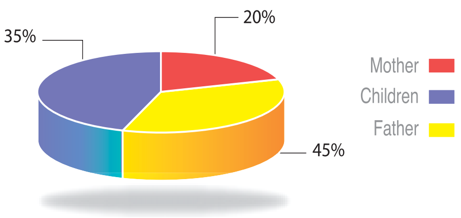
The variables that best expound the variability among these roles are father's age, education, mother's employment and family size. Mother's occupation and father's age and education are decisive factors in taking unanimous or unilateral decisions as regards the need for a PC. The role the mother or children individually play in data collection is noticeable in families living in large houses with young educated parents. Collective decisions are sometimes taken as regards purchase timing in small size families and where the mother is highly educated and the father of old age. The mother's role in defining the alternatives is clear, particularly when the father is young and his wife holds a high degree. However, all members participate in selecting the PC trademark and specifications in the small sized families where the father is young, highly educated, in business or the professions, and the mother is a housewife.

The small-size, low income families, with a highly educated father and an employed mother, are consistently concerned about terms of payment, particularly the installment system. Highly educated parents and young fathers always take collective purchase decisions. The high income families with highly educated mothers and young fathers working as businessmen or professionals set a good example of the common use of the PC. They participate collectively in the actual purchasing. In small-size families, the parents do the actual purchasing, especially if the father is young and highly educated and his wife has an occupation.

9.1.9 Domestic Use of PC

The description and analysis of the Saudi family behavior associated with PC use is one of the significant contributions of the present study. The average daily use of a home computer in Saudi Arabia is found to be 3-5 hours. Field investigations show that 55% of the families use PC for 3 hours or more per day, and 10% use it for 6 hours or more per day. The father's use of the PC is the most intensive compared to the children's and the mother's. The mother's use, however, falls way behind (Figure 35).

Figure (35)
Percentages expressing PC intensive use by Saudi family members



Also the family's demographic background is found to influence the PC use. Except for family size, spouse education and type of parents' employment, all other variables affect the use rate of the PC. Results indicate that some demographic variables are discriminating factors among families in this regard, as in the case of high income families who use the PC for longer periods particularly in the Eastern, Western and Southern provinces. This state of affairs stands in comparison to the Central and Northern provinces.

PC use difference among family members is related to family demographic background variables, such as residence, geographic area, family income, and father's age and occupation. Furthermore, the wife's use of the PC is influenced by the family size, and type of her occupation. However, the children's PC use rate is affected by all the demographic variables investigated in this study.

Some demographic variables are found to be more significant than others in explaining the variability of PC use within the family: employed fathers tend to use the PC more than unemployed ones.

The older the father, especially in the Western and Eastern Provinces, the more his use increases. The small-size families with employed mothers make much use of the PC. Children of large families who live in large houses tend to use computers excessively, especially if the mother is uneducated and the father is young.

9.1.10 Recommending to Others to Buy the Same PC

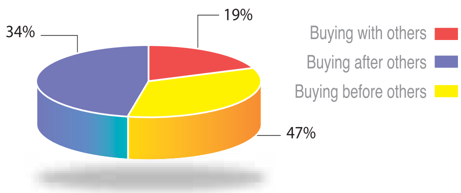
From a theoretical standpoint, recommending a specific PC to a third party may be taken as a sign of customer satisfaction and an indication of the recommending party's role as a source of information and a guide to relatives and acquaintances. Findings indicate that 42% of the sample population has always been ready to recommend the same PC to others, and 47% have been potential volunteer advisers when asked for advice.

9.1.11 Behavioral Characteristics of the Study Sample

1. Tendency to innovate and to adopt new products

The distribution of the innovativeness quality in Saudi families matches the findings of earlier studies on the normal distribution of this quality in societies in general (Figure 36). Innovators have been found to be 22% compared to 16% in earlier studies; the pioneer innovators represent 47% compared to 50% in studies. Looking more closely into the results, we find that those lagging behind in acquiring new products amount to 52% compared to 50% in earlier studies. Accordingly, it can be concluded that the study sample shows a slight increase in attitude towards innovativeness. This attitude is an expected behavior of the sample. Saudi families did, indeed, make a rush for PC acquisition.

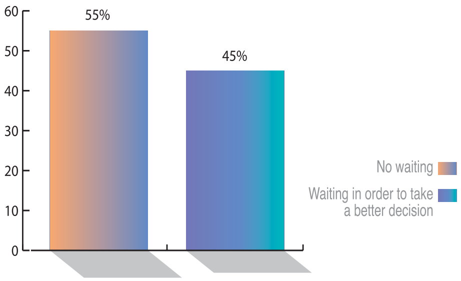
Figure (36)
The consumer's speed of purchasing new products



The family's demographic background is found to correlate significantly with innovativeness and possession of new products. Dwellers of the Southern, Central and Eastern regions are found to be the most innovative. Also, high income families living in large houses are found to have a positive attitude towards innovativeness. Moreover, highly educated parents, especially computer science specialists, have exhibited a growing interest in innovation. The income variable is found to be the most discriminating factor in the innovativeness attitude among families.

Using innovativeness as an independent variable that explains the family behavior on making the PC purchase decision has proved effective in various cases. Innovators are more positively interested in PCs because they assist in solving work problems and planning family expenses. They also give their purchasers a feeling of success and a sense of distinction.

Figure (37)
Impact of continuous technical modifications on delaying PC purchase to gain new advantages



The findings also indicate that innovators never postpone the purchasing process for the sake of obtaining technological or economic advantages; they run after buying new products as soon as they appear on the market (Figure 37). They are always pioneers in buying a PC, and this explains the fact that they possess a PC ahead of all others.

In general, they use PCs for longer periods and are less hesitant than others in selecting specifications. Also, technical assistance and purchase experience or timing are insignificant to them, and so is the proximity of the sales-outlet. They never deal with a particular distributor merely for feasible sale conditions, or on an acquaintance's advice or even an expert's recommendation. Finally, innovators are less inclined to replace their PCs just to satisfy their

family members' desires. As for non-innovators, they are more concerned about issues of price, vendor, sale conditions, bonus gifts, and discounts.

2. Opinion leadership

The sample population shows a balanced attitude towards opinion leadership in society. Some give advice to their neighbors, while others seek advice before making the purchase decision. They prefer to shop with trustworthy friends and, in most cases, follow the advice of others, even when it conflicts with their own viewpoint.

According to the present study, the geographic area, father qualifications, and spouse employment are among the most significant demographic variables influencing the readiness to lead or to be led. As for shopping in the company of a trusted person, it is affected by all variables, except family size and spouse employment. It should also be noted that consumers in the Eastern and Western Provinces are more inclined to leading others. Also, parents' low level of education makes them more prone to following others' opinions, by accompanying those they trust when shopping, or by accepting their opinions, even if conflicting with their own.

The study shows that opinion leaders have a positive attitude towards the PC as a means of help in: solving work problems, being a source of information and useful entertainment, feeling up-to-date and superior to others, and increasing productivity. They are, therefore, early owners of PCs, and they have had them much longer than others. They tend to take collective purchase decisions within their families, especially at the stage of expressing the need for a PC. The families of opinion leaders use PCs more intensively than others.

However, opinion leadership implies more confusion when making

trademark-related decisions. This may be due to the diversity and plethora of information, which they have mustered and which offers them various options. Compared to others, opinion leaders are more ready to replace their PCs as soon as new specifications appear on the market. In addition, they can financially afford to buy new ones.

9.2 Practical Implications of Studying the Saudi Family's PC Purchase Decision

9.2.1 PC Marketing Implications

1. As a high tech durable product, the PC marketing is a sophisticated process as indicated below:

    a. The PC short life cycle requires a fast dramatic change in pricing and distribution strategies to achieve rapid widespread use of any particular generation before it turns obsolete.

    b. The product sophistication requires more training for salespersons and post-purchase servicepersons to cope with the state-of-the-art features of the device.

    c. Any technological advantage, however marginal, for a product or a brand name will put it in an advantageous competitive position.

    d. PC manufacturers and marketers will be required to provide advice and help to potential customers who lack technical know-how in the decision-making process.

    e. Government and local control of pricing, sales conditions, and post-purchase services is necessary due to the incongruity of technical expertise between retailers and customers.

2. As PC consumers, Saudi families are rather heterogeneous. Accordingly, they should be categorized into discrete consumer groups with distinct needs as representing multi-categories, each of which stands for a distinct marketing

section with its characteristic techniques and interaction strategies.

3. The PC high penetration in the Saudi households implies renewed supplementary markets for the purchased PCs to back up the hardware and software maintenance, and to supply spare parts, peripherals, and accessories. These constitute very profitable potential markets. The present study highlights the customers' desire to upgrade their PC's capabilities to ensure high capacity and speed. Some consumers apply this viewpoint in a different way, by delaying the purchase decision pending updated technical devices and available economic offers. Thanks to the nature of PC manufacturing, a technology that is constantly in progress, and thanks to the planned obsolescence strategies practiced by some manufacturers, the computer industry has become very promising and represents an ever-developing market that could accommodate new enterprises in various domains, including software, accessories, training services, and Internet services.

4. The fact that one of every four households in Saudi Arabia is a PC non-owner denotes a potential marketing opportunity to change these prospective customers into actual owners. This will largely require a new strategy on the part of marketers to cope with this sector, especially that the reasons behind delaying the purchase of a PC include such factors as high price, unfamiliarity with the nature and the positive role of the PC in family life, or perhaps social and cultural reservations as to their possible negative and unsafe uses. Delayed acquisition has nothing to do with the inherent nature of the product itself. A further proof is furnished by the fact that the Saudi

family hastens to acquire such products as cars, as well as home and personal appliances. A parallel, equally lucrative market for personal computers could easily develop.

5. It should be noted that the growing integration of some interrelated technologies including computer, information, and communications as well as the recreation industry will create a new generation of integrated computers, mobile phones and some household appliances, like TVs, with the aim of performing personal and domestic tasks. This will also require the integration of completely new software and accessories to support such a trend that will entail new marketing techniques and strategies.
6. In making a decision to buy a PC, the Saudi family experiences a sense of high risk. Thus, it prefers to turn to famous brands like IBM, DELL, HP, LG and Compaq, particularly when their prices have become reasonable and competitive nowadays. Saudi families were more geared towards some low-priced assembled computers. These made it possible for more families to acquire their PCs. The recent turn towards the well-known brands in the PC purchasing process will help eliminate the sense of risk, especially regarding product capabilities, post-purchase services and other consumer benefits. The high performance of established brands whose prices have become reasonable and whose performance and post-purchase services are satisfactory explain the rising demand for them despite their relative high price.
7. PC marketers will find the way paved for them for marketing their products since the current and target consumers have a positive attitude towards the PC in general. In spite of the fact that the attitude of the present consumers towards PCs is more positive than that of potential consumers, there is an overall tendency to consider the PC with clear enthusiasm. Such a

positive interest might be adduced to considering the PC as one of life's necessities due to its influential role in information, entertainment, education and the economy. As an indispensable commodity, the PC will be less affected by price fluctuations. This, in turn, will ensure a reasonable sales rate. Marketers should take this fact into consideration when planning such marketing strategies as prices, promotion, distribution, and services.

8. The success of computer brands depends mainly on their economic competitiveness as viewed by customers, particularly with regard to price, post-purchase services, and product quality. Customer calculation of risk factors associated with the purchase process makes such variables as familiarity with brands and advice from friends or acquaintances more significant than the advertisement provided by the brand marketers. Consequently, the proper handling of the marketing communications process requires more emphasis on developing a product image suggestive of high quality and technical reliability.

9. PC marketers should make every effort to provide customers with as much information as possible to help them make a wise decision. Customers will definitely visit many showrooms to obtain information before taking the purchase decision. This implies the need of PC marketers to use accessible media with rich content, such as printed material and Internet sites. Marketers also need to train salespersons to provide the right information to those seeking it and interested in buying. The attitudes towards the pursuit of relevant information vary according to the demographic background of the family, especially parents' education. Data collected show that Saudi families face problems in taking purchase decisions. Also, families need assistance when choosing from among brands and specifications, particularly those unfamiliar with computer technology, have no previous experience with the PC, are

facing purchase pressure, and need to balance the desires of family members. This reflects the significance of knowledgeable and technically skilled salespersons and the availability of suitable information for the purchase process. It should be noted that the purchase process difficulties vary according to the previous experience, technical expertise and education level of the head of the family.

10. The emergence of the Internet and e-mail as modern means of communication motivates customers to own a PC. Therefore, a derived demand for PCs and their accessories turns out to be an indicator of a new interaction between the need for PCs as such and the need for information and communication technology. Other motives that encourage customers to possess PCs include entertainment, learning assistance, and house management. In addition to these socio-economic factors, marketers should adopt other strategies in their advertising campaigns to promote a sense of distinction, modernity, and association with the family's social class. The urgency degree of those needs depends on the demographic background of the family. High income families are more concerned with using the system for information purposes, while families with working parents are interested in its use in learning and work productivity.
11. Rapid technological advances in computer capabilities can be exploited to promote the sale of PCs. This applies more to families of higher income and higher education.
12. PC marketing strategists should take into consideration the viewpoint that the Saudi family purchase decision is influenced by quality and price in the first place; then comes the influence of vendors' reliability, sale terms, post-purchase services, salespersons' behavior; last comes the influence of advertising,

discounts and bonus gifts. This will help marketers design a marketing mix suitable for each market segment. For example, price represents an incentive to young fathers and low income families; quality is considered significant by those in the southern and western provinces; it is also considered significant by high income, small-size families with working mothers.

13. To the intensive use of the PC for long hours in the family corresponds a growing need for such equipment, its accessories and software. PC marketing opportunities targeting such families will also increase according to factors such as family size and income and father's age and employment.

14. When developing their marketing communication strategy, PC marketers may find it necessary to classify their target consumers into distinct categories. They should lay emphasis on the category of opinion leaders and innovators because of their influence on prospective customers. PC owners, who have positive attitudes towards the product, are very likely to relay their attitude to others, and thus contribute to promoting the products and influencing decision-making. This reflects the importance of the word-of-mouth in decision-making.

15. The study findings reveal the significance of recruiting friendly salespeople who are capable of providing technical assistance and adequate information, which help alleviate customers' anxiety and sense of risk and facilitate their decision-making. Sales outlets should make available a sufficient variety of alternatives and provide easy sale conditions and adequate post-purchase services. It is also important to build consumers' confidence and loyalty to the brand and sales outlet so that they become regular customers. In this respect, marketers should take into consideration consumer categories. For example, low income and wife employment may entail an interest in an installment-sale system, while a husband's high qualification may imply a desire to choose from a wide range of products.

16. Analysis of the Saudi family members' differential roles in the purchase decision process reveals fathers as being the most influential and significant. This can be interpreted in light of the cultural context, in addition to the nature of the target product itself. However, it is of vital importance to marketing strategists not to overlook the children's role in the decision-making process, as their voice for the need for a PC (for purposes of entertainment, education, information, etc.) can be loud and clear within the family. Children also participate in gathering information and setting alternatives, specifications and purchase time. Furthermore, the mother's role is somewhat significant, particularly in expressing the need for the PC, collecting information, and setting the purchase time, specifications and alternatives. The above separate roles do not preclude a unanimous decision in many cases, where demographic background of the family influences the roles of its members in this process. This might have some implications in the area of marketing communications, salespersons' training, and product development.

17. The widespread use of PCs by Saudi families makes it one of the most important means of advertising, sales promotion, public relations and publication in future. Its significance will rise particularly in the field of marketing consumer goods. Integration of the PC with other related ones, e.g. TV and mobile phones, enhances its significant role. Consequently, marketers are required to develop more ingenious messages that match those changes.

18. Computer systems, accessories and software industries might require allocating more funds to research & development (R&D) in order to produce items that satisfy the family requirements as a computer market distinct from the market of computer systems developed for business, education, or government. The PC industry is still in need of further development to overcome its shortcomings in meeting family

needs and providing new advantages that make the PC more useful to the family. Development can be directed towards producing low price PCs that require lesser maintenance while being reliable.

19. It might be in the best interest of PC manufacturers and marketers to subsidize computer literacy programs or training centers. This will undoubtedly lead to an increase in demand for PCs and their accessories, particularly family PCs.

9.2.2 Implications for the Information and Communication Industry in Saudi Arabia

1. The widespread use of PCs in Saudi households indicates that more consideration should be given to developing information and communication services to foster even further the strong appeal customers have for PCs, which gives the Saudi family access to the up-to-date technologies. This necessitates the existence of sufficient Internet services and fast communication networks.
2. The interface of PC's and various information and communication services implies growing opportunities to sell more of these services, as long as producers are aware of the modern advances in the PC world as regards configurations, accessories and software.
3. The findings reveal that the integration of the PC industry with other information and communication industries is inevitable. Future households are expected to have one central system for all purposes: entertainment, education, communication and information.
4. The aforementioned underscores the need for an integrated government role in the fields cited above to ensure proper control and customer protection. The concerned departments

could include Ministries of Commerce, Education, Information, Planning, Saudi Telecom and The King Abdulaziz City for Science and Technology.

5. Consequently, research centers and universities interested in computer science, information and communication applications may have to be engaged in further related research projects.
6. The use of PCs as an e-commerce channel will give rise to issues related to type of services rendered, providers' credibility, and the role of e-commerce in consumer welfare and national economy development.
7. The potential use of the PC as an alternative means to accomplish tasks at a distance or transfer work sites to households will eliminate the barriers of time and place in carrying out business. This might entail a change in the economic system and, consequently, there will arise a demand for developing new products and services to keep pace with such radical changes.

9.2.3 Cultural and Educational Implications

The genuine and growing awareness of the potential adverse effects of means of communication on families in general, and youth in particular, cannot be mistaken. The fact that a high percentage of Saudis use the PC for various purposes - work, education and entertainment - has important cultural and educational implications that can be summarized as follows:

1. As the young tend to use the PC intensively, sufficient attention should be given to protecting them from possible damaging cultural influences. This requires vigilance and guidance efforts to be made by the family and government organizations.
2. Due to the information revolution, individuals face the

problem of information validity and source reliability. As the computer gives access to unlimited sources of information, the individual will likely become confused as to what information to believe and what source to trust. Therefore, the individual needs a means by which he can establish the reliability of sources and the validity of information. In this regard, educational institutions have major responsibilities. They have to adopt specific objectives emphasizing the development of suitable study skills, such as: how to search for particular information; how to weigh the validity of information, and how to establish the reliability of the source.

3. The recommended objectives, as well as the effective and efficient use of the PC, require mastery of language skills, particularly reading and writing. Therefore, school curricula have to be revised so as to give priority to the skills of critical reading and writing. Emphasis is to be laid on Arabic. Once mastery of Arabic is ensured, then foreign languages can be introduced, particularly English, because of its significant use worldwide.
4. In order to protect PC users from harmful influence, particularly from Internet sources, there is great need, more than ever before, to equip potential users at an early age with a furqaan (criterion that distinguishes between right and wrong, good and evil). The Qur'an and the Sunnah embody the required furqaan. Equipped with the furqaan, the individual can deal with all sorts of problems successfully. Thus, educational institutions have to maintain their Islamic aims and curriculum, with particular emphasis on the practicalities of Internet problems.
5. The family as a consumer should be protected from possible exploitation by electronic trade channels. For example, there has to be coordination between the legal authorities in the

Kingdom with those of other countries in order to establish proper procedures of dealing with disputes that arise in e-commerce.

6. The positive cultural aspects of the PC should be put to use to enhance the right social and religious values. The responsibility for this task will be laid upon the Ministry of Information and that of Awqaaf (Endowments).
7. Both Ministries of Education and Higher Education will need to develop their curricula and teaching methods to adapt to the modern technological advances in the PC use, since electronic alternatives could emerge, like distance learning or educational integration of home, school and university.
8. The cultural and educational implications of the PC might extend to include the government role in subsidizing it to make it within the reach of low income citizens. Computer literacy has become a modern requirement to the extent that computer illiterates are regarded as underdeveloped. In that regard, the government has great responsibilities towards the poor, who need computer literacy as much as they need food, clothing and medicine.

9.2.4. Economic and Protective Implications

The growing role of the PC in the family and individual's life will involve daily productivity and quality decisions as regards the household and office PC integration. In the long run, society is expected to have a high productivity rate of goods and services at a low cost, enhancing family and individual welfare.

Due to the clear difference between the salesman and the buyer in technical and information capabilities, the PC market will need business rules as regards customer protection from manipulation and post-purchase service excessive costs. Consumers will find it difficult to judge service quality and costs. Also, protection can be

also provided by ensuring the availability of spare parts; appliances become valueless in case the production of their spare parts is brought to a halt. Without spare parts, consumers find themselves compelled to buy new expensive brands, benefiting manufacturers and marketers, regardless of consumers' interest.

Customer protection can also be extended to provide a variety of purchase alternatives and eliminate market monopoly. A wide range of alternatives is in the best interest of the consumer, who will exercise his right to make the choice he sees fit. Consumers' freedom of choice is considered a consumer welfare parameter.

The authorities responsible for macro-economic planning in Saudi Arabia, especially in the field of industry, might need to develop indigenous computer industry, in total or in part. This will contribute to the increase of GNP, and provide employment opportunities for capable Saudis.

The government may find in the PC a direct, positive, and low-cost channel to address its citizens effectively regarding matters of information, security and politics. It can also provide effective government services related to passports, traffic, civil registry, commercial or industrial registry offices, driving licenses, permissions, and customs and quality certifications.

Computer literacy might turn to be a national duty for both the private sector and the government. The role the PC plays in our family lives is growing day by day so much that computer illiteracy has come to supplant traditional illiteracy. Diligent efforts to prepare more people to use computer technology are an important boost to the country's economic capabilities in terms of added value that labor contributes to the GNP.

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14. *Delinquency: Treatment in Light of the Qur'an and the Sunnah* (Arabic)
15. *Protection from Satan's Temptations* (Arabic)
16. *Guarding against Magic* (Arabic)
17. *Treatment and Ruqya as Practised by the Prophet.* (Arabic)
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25. *Book 7: Fasting is Protection* (Arabic - English)
26. *Book 8: The Guide to Umrah* (Arabic - English)
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30. *Mu'jam Al-Tabaraani: Part of Vol. 21, in Musnad Al-Nu'man Ibn Basheer*
31. *Vol. 13, Mu'jam Al-Tabaraani*
32. *Su'aalaat Assulami Liddaara-Qutniy (Questions put by Assulami to Al-Daara-Qutniy)*
33. *Ibn Al-Jawzi's Aafat As-haab Al-Hadeeth (The Problem with Hadith Researchers)*

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